

A NONSUBSTANTIVE REVISION
OF LOCAL LAWS RELATING TO
SPECIAL DISTRICTS

Submitted to the 81st Legislature
as part of the
Texas Legislative Council's
Statutory Revision Program

Austin, Texas

2009

FOREWORD

The Texas Legislative Council is required by Section 323.007, Government Code, to carry out a complete nonsubstantive revision of the Texas statutes. The process involves reclassifying and rearranging the statutes in a more logical order, eliminating repealed, invalid, duplicative, and other ineffective provisions while employing a format and numbering system that will accommodate future expansion of the law, and improving the draftsmanship of the statutes as practicable. The revision is intended to further the legislature's stated purpose of making the statutes "more accessible, understandable, and usable" without altering the sense, meaning, or effect of the law.

Under the new classification scheme adopted by the Texas Legislative Council, the statutes will eventually consist of 27 codes, each governing a different subject matter. To date, the council has produced and the legislature has enacted the Agriculture Code, Alcoholic Beverage Code, Business & Commerce Code, Civil Practice and Remedies Code, Education Code, Election Code (a substantive revision), Estates Code, Finance Code, Government Code, Health and Safety Code, Human Resources Code, Insurance Code, Labor Code, Local Government Code, Natural Resources Code, Occupations Code, Parks and Wildlife Code, Property Code, Tax Code (Title 1 of which was a substantive revision), Transportation Code, Utilities Code, and Water Code. The 78th Legislature, Regular Session, 2003, enacted a Special District Local Laws Code of which the following revised laws form a part. The council's staff also assisted the state bar in the Business Organizations Code, Penal Code, and Family Code projects, which were substantive revisions, and revised miscellaneous criminal procedure provisions as Title 2 of the Code of Criminal Procedure.

The revised local laws governing special districts included in this revision are placed into the Special District Local Laws Code enacted by the 78th Legislature, Regular Session, 2003, according to the structure established by that enactment. The Special District Local Laws Code is divided into titles by broad subject matter, subtitles by type of special district, chapters governing individual districts, subchapters for organization, and sections for distinct provisions of law. Sections are numbered decimally, with the number to the left of the decimal the same as the number of the chapter in which the section is contained. Because the code concerns a great number of individual special districts, the code is organized to provide a unique chapter number for each district whose governing laws have been revised. Gaps have been left in chapter and section numbering to accommodate later expansions of the law.

This revisor's report reflects the enactment of Chapter 1139, Acts of the 81st Legislature, Regular Session, 2009, the Texas Legislative Council staff's revision of local laws governing various kinds of special districts in this state. The revisor's report states the Revised Law, which is the text of the new law, and then provides the Source Law, which is the text of the former law from which the new law was derived. If further explanation of either the revised law or the source law is required, a Revisor's

Note is included after the source law. All substance of the source law is revised in the revised law or the reason for its omission is explained in a revisor's note.

Note that this revision did not take effect until April 1, 2011, to provide all affected persons a complete legislative cycle to review the revision more closely.

Because of the extensive reorganization of many statutes, and even provisions within a statute, it may be helpful to refer to the source law for a given chapter as a whole, so that it may be read in its former context, and to refer to the disposition table, which shows where the former statutes, as revised, appear in this code. The disposition table is printed as Appendix C to the revisor's report.

The revision required conforming amendments to several statutes. These amendments, also enacted into law by Chapter 1139, Acts of the 81st Legislature, Regular Session, 2009, are printed in Appendix A to the revisor's report. Appendix A also includes a section listing the laws repealed effective April 1, 2011, and a section stating the legislature's intent that the code be a nonsubstantive revision.

In reviewing this revisor's report, the reader should keep in mind that:

(1) Except as otherwise provided, Chapter 311, Government Code (Code Construction Act), applies to the code. That chapter sets out certain principles of statutory construction applicable to new codes and also provides some definitions. The chapter is printed as Appendix B to this report.

(2) The proposed code is written in modern American English. Where possible, the present tense is used, the active voice is used in preference to the passive voice, and the singular is used in preference to the plural.

(3) This is a nonsubstantive revision. The Texas Legislative Council staff's authority does not include improving the substance of the source law. The sole purpose of the revision is to compile all the relevant law, arrange it in a logical fashion, and rewrite it without altering its sense, meaning, or legal effect. If a particular source law statute is ambiguous and the ambiguity cannot be resolved without a potential substantive effect, the ambiguity is preserved.

The hospital districts portion of this revision project is under the direction of Mark Kuster, Legislative Counsel, of the Texas Legislative Council's legal division staff. The water districts, other than groundwater conservation districts, portion of this revision project is under the direction of Kelly Lowe, Legislative Counsel, of the Texas Legislative Council's legal division staff. The groundwater conservation districts portion of this revision project is under the direction of Pam Moore, Senior Legislative Counsel, of the Texas Legislative Council's legal division staff. Questions may be directed to the appropriate person at P.O. Box 12128, Capitol Station, Austin, Texas 78711-2128, or by telephone at (512) 463-1155.

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5 CHAPTER 1035. DEWITT MEDICAL DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Revised Law

8 Sec. 1035.001. 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 DeWitt Medical District.

13 (New.)

14 Revisor's Note

15 The definitions of "board," "director," and
16 "district" are added to the revised law for drafting
17 convenience and to eliminate frequent, unnecessary
18 repetition of the substance of the definitions.

19 Revised Law

20 Sec. 1035.002. AUTHORITY FOR CREATION. The DeWitt Medical
21 District is created under the authority of Section 9, Article IX,
22 Texas Constitution. (Acts 59th Leg., R.S., Ch. 310, Secs. 1 (part),
23 1A(a).)

24 Source Law

25 Sec. 1. Pursuant to authority granted by the
26 provisions of Section 9 of Article IX of the
27 Constitution of the State of Texas, Cuero Hospital
28 District of DeWitt County, Texas, is hereby authorized
29 to be created in DeWitt County, Texas, and

30 Sec. 1A. (a) The name of the Cuero Hospital
31 District of DeWitt County, Texas, is changed to the
32 DeWitt Medical District.

33 Revisor's Note

34 (1) Section 1, Chapter 310, Acts of the 59th
35 Legislature, Regular Session, 1965, refers to the
36 "Cuero Hospital District of DeWitt County, Texas."
37 The revised law substitutes "DeWitt Medical District"

1 for the quoted language because under Section 1A(a),
2 as added by Section 1, Chapter 1260, Acts of the 71st
3 Legislature, Regular Session, 1989, the name of the
4 district was changed to the DeWitt Medical District.

5 (2) Section 1A(b), Chapter 310, Acts of the 59th
6 Legislature, Regular Session, 1965, provides that a
7 reference to the Cuero Hospital District in the act or
8 in any other law means the DeWitt Medical District.
9 The revised law omits that provision because all
10 references to the district in the revised law mean the
11 DeWitt Medical District and there are no other
12 references in law to the former Cuero Hospital
13 District. The omitted law reads:

14 (b) A reference in this Act or in any
15 other law to the Cuero Hospital District of
16 DeWitt County, Texas, means the DeWitt
17 Medical District.

18 Revised Law

19 Sec. 1035.003. POLITICAL SUBDIVISION. The district is a
20 political subdivision of this state. (Acts 59th Leg., R.S., Ch.
21 310, Sec. 15 (part).)

22 Source Law

23 Sec. 15. The hospital district created under
24 this Act shall be and is declared to be a political
25 subdivision of the State of Texas, and

26 Revised Law

27 Sec. 1035.004. DISTRICT TERRITORY. (a) The district is
28 composed of the territory described by Section 1, Chapter 310, Acts
29 of the 59th Legislature, Regular Session, 1965.

30 (b) The boundaries and field notes of the district form a
31 closure. A mistake in copying the field notes in the legislative
32 process does not affect:

33 (1) the district's organization, existence, or
34 validity;

35 (2) the district's right to issue a bond;

36 (3) the district's right to impose a tax; or

37 (4) the legality or operation of the district. (New;

1 Acts 59th Leg., R.S., Ch. 310, Sec. 1 (part).)

2 Source Law

3 Sec. 1. . . .

4 The Legislature hereby finds that the foregoing
5 boundaries and field notes of said District form a
6 closure, and, if any mistake is made in copying the
7 field notes in the legislative process, such mistake
8 shall not affect the organization, existence or
9 validity of the District or its right to issue bonds or
10 refunding bonds, and the right to assess, levy and
11 collect taxes, or in any other manner affect the
12 legality or operation of the District.

13 Revisor's Note

14 (1) The revision of the law governing the
15 district does not revise the statutory language
16 describing the territory of the district to avoid the
17 lengthy recitation of the description. For the
18 reader's convenience, the revised law includes a
19 reference to the statutory description of the
20 district's territory.

21 (2) Section 1, Chapter 310, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that a
23 mistake in the description of the district boundaries
24 does not affect the right of the district to issue
25 "bonds or refunding bonds." The revised law omits the
26 reference to "refunding bonds" because refunding bonds
27 are included in the meaning of "bonds."

28 (3) Section 1, Chapter 310, Acts of the 59th
29 Legislature, Regular Session, 1965, refers to the
30 district's right to "assess, levy and collect" taxes.
31 The revised law substitutes "impose" for "assess, levy
32 and collect" because "impose" is the term generally
33 used in Title 1, Tax Code, and includes the assessment,
34 levy, and collection of a tax.

35 Revised Law

36 Sec. 1035.005. CORRECTION OF INVALID PROCEDURES. If a
37 court holds that any procedure under this chapter violates the
38 constitution of this state or of the United States, the district by
39 resolution may provide an alternative procedure that conforms with

1 the constitution. (Acts 59th Leg., R.S., Ch. 310, Sec. 17 (part).)

2 Source Law

3 Sec. 17. . . . [Federal or State Constitution]
4 . . . Where any procedure hereunder may be held by any
5 court to be violative of either of such constitutions,
6 the District shall have the power by resolution to
7 provide an alternative procedure conformable with such
8 constitutions. . . .

9 Revisor's Note

10 Section 17, Chapter 310, Acts of the 59th
11 Legislature, Regular Session, 1965, provides that the
12 act does not violate the federal or state constitution
13 and requires that action under the act comply with the
14 constitutions. The revised law omits the reference to
15 the federal constitution because, under the Supremacy
16 Clause of the United States Constitution (Clause 2,
17 Article VI), federal law always takes precedence over
18 a state statute. The revised law omits the reference
19 to the Texas Constitution because the state cannot
20 modify constitutional requirements by statute. The
21 omitted law reads:

22 Sec. 17. Nothing in this Act shall be
23 construed to violate any provision of the
24 Federal or State Constitution, and all
25 things done under this Act shall be in such
26 manner as will conform thereto, whether
27 expressly so provided or not. . . .

28 Revised Law

29 Sec. 1035.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
30 OBLIGATION. The support and maintenance of the district's hospital
31 system may not become a charge against or obligation of this state.
32 (Acts 59th Leg., R.S., Ch. 310, Sec. 8 (part).)

33 Source Law

34 Sec. 8. . . . It is provided specifically that
35 the support and maintenance of the District's hospital
36 system shall never become a charge against or
37 obligation of the State of Texas.

38 Revisor's Note
39 (End of Subchapter)

40 Section 3 and parts of Sections 5 and 6, Chapter
41 310, Acts of the 59th Legislature, Regular Session,

1 1965, provide procedures for holding an election on
2 the creation of the district, the imposition of an ad
3 valorem tax, and the submission of a bond proposal.
4 Because the election creating the district has been
5 held, the revised law omits the relevant law as
6 executed. The omitted law reads:

7 Sec. 3. Such District shall not be
8 created nor shall any tax therein be
9 authorized unless and until such creation
10 and such tax are approved by a majority of
11 the qualified property taxpaying electors
12 of the District voting at an election called
13 for such purpose. Such election shall be
14 initiated by a petition to the DeWitt County
15 Commissioners Court signed by at least
16 fifty (50) qualified property taxpaying
17 electors residing within the boundaries of
18 the proposed District. Within ten (10) days
19 after the presentation of said petition to
20 the Commissioners Court of DeWitt County,
21 Texas, said Court shall order an election to
22 be held within said District not less than
23 thirty (30) days from the date said election
24 is ordered. The order calling such election
25 shall specify the date and place or places
26 of holding same, the form of ballot and the
27 presiding judge for each voting place. At
28 such election there shall be submitted to
29 the qualified property taxpaying electors
30 of said proposed District the proposition
31 of whether or not Cuero Hospital District of
32 DeWitt County, Texas, shall be created with
33 authority to levy annual taxes at a rate not
34 to exceed seventy-five cents (75¢) on the
35 One Hundred Dollar valuation of all taxable
36 property within such District for the
37 purpose of meeting the requirements of the
38 District's bonds and its maintenance and
39 operating expenses, and a majority of the
40 qualified property taxpaying electors of
41 the District voting in said election in
42 favor of the proposition shall be
43 sufficient for its adoption. The ballots of
44 said election shall conform to the
45 requirements of the Texas Election Code, as
46 amended, and shall have printed thereon the
47 following:

48 "FOR the creation of Cuero Hospital
49 District of DeWitt County, Texas; providing
50 for the levy of annual taxes at a rate not to
51 exceed seventy-five cents (75¢) on the One
52 Hundred Dollar valuation of all taxable
53 property within such District"; and

54 "AGAINST the creation of Cuero
55 Hospital District of DeWitt County, Texas;
56 providing for the levy of annual taxes at a
57 rate not to exceed seventy-five cents (75¢)
58 on the One Hundred Dollar valuation of all
59 taxable property within such District."

60 Notice of said election shall be given by
61 publishing a substantial copy of the
62 election order in a newspaper of general

1 circulation in the area of the proposed
2 District, once a week for two consecutive
3 weeks, the first publication to appear at
4 least fourteen (14) days prior to the date
5 set for the election. The failure of any
6 such election shall not operate to prohibit
7 the calling and holding of subsequent
8 elections for the same purpose.

9 Sec. 5. After such creation, tax
10 levy, and first directors' election is held,
11 the officials conducting same shall make
12 due returns to the DeWitt County
13 Commissioners Court which shall canvass the
14 returns thereof. If a majority of the
15 qualified property taxpaying electors
16 voting at said election voted in favor of
17 the proposition to create said District and
18 levy said tax, said Court shall so find and
19 declare said District established and
20 created. . . .

21 Sec. 6. A bond election may also be
22 held on the same day as said creation, tax
23 levy and directors' election, and said
24 petition mentioned in Section 3 hereof may
25 also include a proposition on the issuance
26 of bonds of said District. Such bond
27 election may be called by a separate
28 election order, or as a part of the order
29 calling such election provided for in said
30 Section 3. The provisions of Section 12
31 hereof shall apply to such bond election,
32 except that such election shall be called by
33 said DeWitt County Commissioners Court and
34 the returns canvassed by said Court. If the
35 bonds are authorized at said election, they
36 shall then be issued by the Board of
37 Directors, assuming that the proposition
38 specified in Section 3 is favored by a
39 majority vote. With the exception of bonds
40 authorized by this Section 6,

41 [Sections 1035.007-1035.050 reserved for expansion]

42 SUBCHAPTER B. DISTRICT ADMINISTRATION

43 Revised Law

44 Sec. 1035.051. BOARD ELECTION; TERM. (a) The district is
45 governed by a board of five directors elected from the district at
46 large.

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

48 (c) An election shall be held each year on the May uniform
49 election date under Section 41.001, Election Code, to elect the
50 appropriate number of directors. (Acts 59th Leg., R.S., Ch. 310,
51 Secs. 4(a), (c) (part).)

52 Source Law

53 Sec. 4. (a) The District is governed by a Board
54 of five directors elected at large for staggered
55 three-year terms.

1 (c) A regular election shall be held each year
2 on the May uniform election date under Section 41.001,
3 Election Code, and the appropriate number of successor
4 directors shall be elected for three-year terms. . . .

5 Revisor's Note

6 (1) Section 4(c), Chapter 310, Acts of the 59th
7 Legislature, Regular Session, 1965, provides that the
8 board shall order the election in accordance with
9 Chapter 3, Election Code, which establishes procedures
10 for ordering an election in this state. The revised
11 law omits the provision because Section 1.002,
12 Election Code, provides that the Election Code applies
13 to all elections held in this state. The omitted law
14 reads:

15 (c) . . . The Board of Directors
16 shall order the election in accordance with
17 Chapter 3, Election Code. . . .

18 (2) Section 5, Chapter 310, Acts of the 59th
19 Legislature, Regular Session, 1965, prescribes the
20 procedures for electing the initial directors. The
21 revised law omits the provision as executed. The
22 omitted law reads:

23 Sec. 5. . . . Such Court shall also
24 determine the five persons receiving the
25 highest number of votes for directors and
26 shall declare those persons elected. . . .

27 (3) Section 4, Chapter 249, Acts of the 72nd
28 Legislature, Regular Session, 1991, provides
29 transition procedures for the election and terms of
30 directors after the establishment of three-year terms.
31 The revised law omits those provisions as executed.
32 The omitted law reads:

33 Sec. 4. (a) The election of the
34 board of directors scheduled before the
35 effective date of this Act to be held in
36 January 1992 shall be held, and the
37 directors elected at that election shall
38 draw lots to determine which director shall
39 serve a two-year term and which director
40 shall serve a three-year term.

41 (b) The election of the board of
42 directors scheduled before the effective
43 date of this Act to be held in January 1993
44 shall be held, and the directors elected at

1 that election shall draw lots to determine
2 which director shall serve a one-year term,
3 which director shall serve a two-year term,
4 and which director shall serve a three-year
5 term.

6 (c) The directors elected at the
7 elections to be held in January 1994 shall
8 serve three-year terms.

9 Revised Law

10 Sec. 1035.052. NOTICE OF ELECTION. Notice of a directors'
11 election shall be published in a newspaper of general circulation
12 in the district in accordance with Section 4.003, Election Code.
13 (Acts 59th Leg., R.S., Ch. 310, Sec. 4(c) (part).)

14 Source Law

15 (c) . . . Notice of the election shall be
16 published in a newspaper of general circulation in the
17 District in accordance with Section 4.003, Election
18 Code.

19 Revised Law

20 Sec. 1035.053. QUALIFICATIONS FOR OFFICE. (a) To be
21 qualified to serve as a director, a person must:

22 (1) reside in the district; and

23 (2) be at least 21 years of age.

24 (b) A person may not serve as a director if the person:

25 (1) is a district employee; or

26 (2) was a district employee at any time during the two
27 years preceding the date of the election. (Acts 59th Leg., R.S.,
28 Ch. 310, Sec. 4(b).)

29 Source Law

30 (b) To be qualified to serve as a director of the
31 District a person must be a resident of the District
32 and at least twenty-one years of age. An employee of
33 the District or a person who was employed by the
34 District at any time during the two years preceding the
35 date of the election may not serve as a director.

36 Revised Law

37 Sec. 1035.054. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
38 OF OFFICE. (a) Each director shall qualify by executing a good and
39 sufficient bond for \$5,000 that is:

40 (1) approved by the board;

41 (2) payable to the district; and

42 (3) conditioned on the faithful performance of the

1 director's duties.

2 (b) Each director's bond and constitutional oath or
3 affirmation of office shall be kept in the district's permanent
4 records. (Acts 59th Leg., R.S., Ch. 310, Sec. 5 (part).)

5 Source Law

6 Sec. 5. . . . Each member of the Board of
7 Directors shall qualify by executing the
8 constitutional oath of office and by making a good and
9 sufficient bond, [to be approved by said Commissioners
10 Court,] for \$5,000 payable to said District and
11 conditioned upon the faithful performance of his
12 duties as such director, and such oaths and bonds shall
13 be kept in the permanent records of said District.
14 [Except for said first Board of Directors,] the bonds
15 of said directors shall be approved by the District
16 Board of Directors.

17 Revisor's Note

18 (1) Section 5, Chapter 310, Acts of the 59th
19 Legislature, Regular Session, 1965, requires each
20 director to qualify by executing the constitutional
21 oath of office. The revised law omits that provision
22 because Section 1, Article XVI, Texas Constitution,
23 requires all officers to take the oath (or
24 affirmation) before assuming office. In addition, the
25 revised law requires retention in the district's
26 permanent records of the constitutional affirmation as
27 well as the constitutional oath because Section 1,
28 Article XVI, Texas Constitution, permits an officer in
29 this state to take either the oath or the affirmation.
30 The omitted law reads:

31 Sec. 5. . . . [Each member of the
32 Board of Directors shall qualify] by
33 executing the constitutional oath of office
34 and

35 (2) Section 5, Chapter 310, Acts of the 59th
36 Legislature, Regular Session, 1965, requires the bonds
37 of the initial directors to be approved by the
38 commissioners court. The revised law omits that
39 provision as executed. The omitted law reads:

40 Sec. 5. . . . [shall qualify . . . by
41 making a good and sufficient bond,] to be
42 approved by said Commissioners Court,

1 Except for said first Board of
2 Directors, [the bonds of said directors
3 shall be approved by the District Board of
4 Directors.]

5 Revised Law

6 Sec. 1035.055. BOARD VACANCY. (a) If a vacancy occurs in
7 the office of director, the remaining directors shall appoint a
8 director for the unexpired term.

9 (b) If the number of directors is reduced to fewer than
10 three, the remaining directors shall immediately call a special
11 election to fill the vacancies. If the remaining directors do not
12 call the election, a district court, on application of a district
13 voter or taxpayer, may order the directors to hold the election.
14 (Acts 59th Leg., R.S., Ch. 310, Sec. 7(g).)

15 Source Law

16 (g) All vacancies in the office of director
17 shall be filled for the unexpired term by appointment
18 of the remainder of the Board. If the number of
19 directors is reduced to less than three (3), the
20 remaining directors shall immediately call a special
21 election to fill the vacancies. Upon failure to do so,
22 a District Court may, upon application of any voter or
23 taxpayer of the District, issue a mandate requiring
24 the directors to call and hold an election.

25 Revisor's Note

26 Section 7(g), Chapter 310, Acts of the 59th
27 Legislature, Regular Session, 1965, refers to an order
28 to "call and hold" an election. The revised law omits
29 the reference to calling an election because, in this
30 context, calling an election is included in the
31 meaning of holding an election. Under Chapter 3,
32 Election Code, all elections must be ordered (called)
33 before they may be held.

34 Revised Law

35 Sec. 1035.056. OFFICERS. (a) At the board's first regular
36 meeting following the annual election of the directors, the board
37 shall elect a chair, vice chair, and secretary from among its
38 members to serve for a term of one year.

39 (b) The board may create additional officer positions.
40 (Acts 59th Leg., R.S., Ch. 310, Sec. 7(a).)

1 Source Law

2 Sec. 7. (a) At the first regular meeting of the
3 Board of Directors following the annual election of
4 the directors, the Board of Directors shall elect a
5 chair, vice chair, and secretary from their number to
6 serve for a term of one year. The Board may create
7 additional officer positions.

8 Revised Law

9 Sec. 1035.057. COMPENSATION; EXPENSES. A director serves
10 without compensation but may be reimbursed for actual expenses
11 incurred in the performance of official duties on approval of the
12 expenses by the board. (Acts 59th Leg., R.S., Ch. 310, Sec. 7(f).)

13 Source Law

14 (f) The Board of Directors of the District shall
15 serve without compensation but may be reimbursed for
16 actual expenses incurred by them in the performance of
17 their official duties upon the approval of such
18 expenses by the Board of Directors thereof.

19 Revised Law

20 Sec. 1035.058. VOTING REQUIREMENT. A concurrence of a
21 majority of the directors is sufficient in any matter relating to
22 district business. (Acts 59th Leg., R.S., Ch. 310, Sec. 7(b)
23 (part).)

24 Source Law

25 (b) [A majority of the directors] . . . a
26 concurrence of a majority shall be sufficient in all
27 matters pertaining to the business of the District.

28 Revisor's Note

29 Section 7(b), Chapter 310, Acts of the 59th
30 Legislature, Regular Session, 1965, provides that a
31 majority of directors constitutes a quorum. The
32 revised law omits that provision because it duplicates
33 Section 311.013, Government Code (Code Construction
34 Act), which provides that a quorum of a public body is
35 a majority of the number of members fixed by statute.
36 The omitted law reads:

37 (b) A majority of the directors shall
38 constitute a quorum, and

39 Revised Law

40 Sec. 1035.059. DISTRICT ADMINISTRATOR. (a) The board

1 shall appoint a qualified person as district administrator.

2 (b) The district administrator serves at the will of the
3 board and is entitled to the compensation determined by the board.

4 (c) The board shall require that before assuming the duties
5 of district administrator the administrator must execute a bond in
6 an amount set by the board of not less than \$5,000 that is:

7 (1) payable to the district; and

8 (2) conditioned on the performance of the
9 administrator's duties.

10 (d) The board may pay for the bond with district money.
11 (Acts 59th Leg., R.S., Ch. 310, Sec. 7(h) (part).)

12 Source Law

13 (h) The Board of Directors shall appoint a
14 qualified person as District administrator. The
15 administrator serves at the will of the Board and shall
16 receive the compensation determined by the Board. The
17 Board shall require that before assuming the duties as
18 administrator, a person must execute a bond payable to
19 the District in an amount set by the Board of not less
20 than \$5,000 that is conditioned on the performance of
21 the administrator's duties. The Board may pay for the
22 bond with District funds. . . .

23 Revised Law

24 Sec. 1035.060. 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;
28 and

29 (2) direct the affairs of the district. (Acts 59th
30 Leg., R.S., Ch. 310, Sec. 7(h) (part).)

31 Source Law

32 (h) . . . Subject to the limitations prescribed
33 by the Board, the administrator shall supervise the
34 work and activities of the District and direct the
35 affairs of the District.

36 Revised Law

37 Sec. 1035.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.
38 The board may spend district money to recruit physicians, nurses,
39 or other trained medical personnel. The board may pay the tuition or
40 other costs or expenses of a full-time medical or nursing student

1 who:

2 (1) is enrolled in and is in good standing at an
3 accredited school, college, or university; and

4 (2) contractually agrees to become a district employee
5 in return for that assistance. (Acts 59th Leg., R.S., Ch. 310,
6 Secs. 16A(a), (b).)

7 Source Law

8 Sec. 16A. (a) The Board of Directors may spend
9 District funds to recruit physicians, nurses, or other
10 trained medical personnel.

11 (b) The Board may enter into contracts with
12 full-time medical or nursing students enrolled and in
13 good standing in accredited schools, colleges, or
14 universities, as authorized by this section. The
15 Board may agree to pay the student's tuition or other
16 costs or expenses in consideration of the student's
17 contractual agreement to serve as an employee of the
18 District on terms set out in the contract.

19 Revisor's Note

20 Section 16A(b), Chapter 310, Acts of the 59th
21 Legislature, Regular Session, 1965, provides that a
22 student who receives assistance from the district must
23 become a district employee "on terms set out in the
24 contract." The revised law omits the quoted language
25 because the provisions of a contract between the board
26 and a student apply by their own terms.

27 Revised Law

28 Sec. 1035.062. CONTINUING EDUCATION; RETRAINING. The board
29 may spend district money for continuing education and retraining of
30 employees. (Acts 59th Leg., R.S., Ch. 310, Sec. 16A(c).)

31 Source Law

32 (c) The Board may spend District funds for
33 continuing education and retraining of employees.

34 Revised Law

35 Sec. 1035.063. DOCTORS AND OTHER EMPLOYEES. The board may
36 contract with doctors or appoint doctors to the medical staff and
37 may employ technicians, nurses, and other employees the board
38 considers necessary for the efficient operation of the district.
39 The board may delegate that authority to the district
40 administrator. (Acts 59th Leg., R.S., Ch. 310, Sec. 7(i).)

1 Source Law

2 (i) The Board may contract with doctors or
3 appoint doctors to the medical staff and may employ
4 technicians, nurses, and other employees the Board
5 considers necessary for the efficient operation of the
6 District. The Board may delegate that authority to the
7 District administrator.

8 Revisor's Note
9 (End of Subchapter)

10 Section 4(d), Chapter 310, Acts of the 59th
11 Legislature, Regular Session, 1965, provides that a
12 person must file a ballot application with the board
13 secretary to be a candidate for director in accordance
14 with Chapter 144, Election Code. The revised law omits
15 the provision because Chapter 144 applies to the
16 district by its own terms under Section 1.002,
17 Election Code. The omitted law reads:

18 (d) A person who wants to have the
19 person's name printed on the ballot as a
20 candidate for director must file an
21 application with the secretary of the Board
22 in accordance with Chapter 144, Election
23 Code.

24 [Sections 1035.064-1035.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Revised Law

27 Sec. 1035.101. DISTRICT RESPONSIBILITY. The district has
28 full responsibility for providing medical and hospital care for the
29 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 310, Sec.
30 2 (part).)

31 Source Law

32 Sec. 2. . . . Such District shall assume full
33 responsibility for providing medical and hospital care
34 for its needy inhabitants. . . .

35 Revisor's Note

36 Section 2, Chapter 310, Acts of the 59th
37 Legislature, Regular Session, 1965, provides that the
38 district "shall assume" full responsibility for
39 providing medical and hospital care for the district's
40 needy inhabitants. The revised law substitutes "has"
41 for the quoted language because the duty to assume the

1 responsibility is executed.

2 Revised Law

3 Sec. 1035.102. RESTRICTION ON POLITICAL SUBDIVISION
4 TAXATION AND DEBT. A political subdivision in DeWitt County, other
5 than the district, may not impose a tax or issue bonds or other
6 obligations for hospital purposes or to provide medical care in the
7 district. (Acts 59th Leg., R.S., Ch. 310, Sec. 2 (part).)

8 Source Law

9 Sec. 2. . . . After establishment of such
10 District, no other municipality or political
11 subdivision in DeWitt County shall have the power to
12 levy taxes or issue bonds or other obligations for
13 hospital purposes or for providing medical care within
14 the boundaries of the District.

15 Revisor's Note

16 (1) Section 2, Chapter 310, Acts of the 59th
17 Legislature, Regular Session, 1965, provides that
18 "[a]fter establishment of such District" certain
19 political subdivisions may not levy taxes or issue
20 bonds or other obligations for hospital purposes or
21 for providing medical care in the district. The
22 revised law omits the quoted language as executed. In
23 addition, throughout this chapter, the revised law
24 substitutes "impose" for "levy" because, in this
25 context, the terms are synonymous and the former is
26 more commonly used.

27 (2) Section 2, Chapter 310, Acts of the 59th
28 Legislature, Regular Session, 1965, refers to a
29 "municipality or political subdivision." The revised
30 law omits the reference to "municipality" because
31 "municipality" is included in the meaning of
32 "political subdivision."

33 Revised Law

34 Sec. 1035.103. MANAGEMENT AND CONTROL. (a) The board has
35 all powers necessary, convenient, or incidental to carry out the
36 purposes for which the district was created.

37 (b) The board has complete management and control of all

1 district business, including the power to negotiate and contract
2 with any person to purchase or lease land, to construct and equip a
3 hospital system, to operate and maintain a hospital or hospitals,
4 and to negotiate and contract with other political subdivisions of
5 this state or with private individuals, associations, or
6 corporations for those purposes as the board determines necessary
7 or desirable. (Acts 59th Leg., R.S., Ch. 310, Secs. 7(c), (e).)

8 Source Law

9 (c) Not by way of limitation, the Board shall
10 have the complete management and control of all the
11 business of the District, including but not limited to
12 the power and authority to negotiate and contract with
13 any person or body, public or private, to purchase or
14 lease land, to construct and equip a hospital system,
15 and to operate and maintain a hospital or hospitals,
16 and to negotiate and contract with other political
17 subdivisions of the State or private individuals,
18 associations or corporations for such purposes, all as
19 may be determined to be necessary or desirable for the
20 District by the Board.

21 (e) The Board shall have all powers necessary,
22 convenient or incidental to carry out the purposes for
23 which the District is created.

24 Revisor's Note

25 (1) Section 7(c), Chapter 310, Acts of the 59th
26 Legislature, Regular Session, 1965, provides that,
27 "[n]ot by way of limitation," the board has the
28 complete management and control of the district,
29 including certain specific powers. Throughout this
30 chapter, the revised law omits the quoted language
31 because it is an accepted general principle of
32 statutory construction that a grant of a power does not
33 act as a limitation. The general principle applies to
34 this revision.

35 (2) Section 7(c), Chapter 310, Acts of the 59th
36 Legislature, Regular Session, 1965, refers to
37 "including, but not limited to." The revised law omits
38 "but not limited to" because Section 311.005(13),
39 Government Code (Code Construction Act), provides that
40 "includes" and "including" are terms of enlargement
41 and not of limitation and do not create a presumption

1 that components not expressed are excluded.

2 (3) Section 7(c), Chapter 310, Acts of the 59th
3 Legislature, Regular Session, 1965, provides that the
4 board has the "power and authority" to take certain
5 actions. The revised law omits "authority" because,
6 in this context, "authority" is included in the
7 meaning of "power."

8 (4) Section 7(c), Chapter 310, Acts of the 59th
9 Legislature, Regular Session, 1965, provides that the
10 board may contract with "any person or body, public or
11 private." The revised law omits "body, public or
12 private," because under Section 311.005(2),
13 Government Code (Code Construction Act), "person"
14 includes a public or private body.

15 Revised Law

16 Sec. 1035.104. HOSPITAL SYSTEM. The district shall provide
17 for:

18 (1) the establishment of a hospital or hospital system
19 in the district to furnish medical and hospital care to district
20 residents by:

21 (A) purchasing, constructing, acquiring,
22 repairing, or renovating buildings and improvements for hospital
23 purposes; and

24 (B) equipping the buildings and improvements for
25 those purposes; and

26 (2) the administration of the hospital system for
27 hospital purposes. (Acts 59th Leg., R.S., Ch. 310, Sec. 2 (part).)

28 Source Law

29 Sec. 2. The District hereby authorized to be
30 created shall provide for the establishment of a
31 hospital or hospital system within its boundaries to
32 furnish medical and hospital care to persons residing
33 in said District by the purchase, construction,
34 acquisition, repair or renovation of buildings and
35 improvements and the equipping of same and the
36 administration thereof for hospital purposes. . . .

37 Revised Law

38 Sec. 1035.105. PROVISION OF CERTAIN HEALTH SERVICES. The

1 district may provide:

- 2 (1) emergency medical services;
 - 3 (2) home health care services;
 - 4 (3) long-term health care services;
 - 5 (4) assisted living services; or
 - 6 (5) any other appropriate health care services the
- 7 board determines are necessary to meet the district's needs. (Acts
8 59th Leg., R.S., Ch. 310, Sec. 7A.)

9 Source Law

10 Sec. 7A. The District may provide emergency
11 medical services, home health care services, long-term
12 health care services, assisted living services, or any
13 other appropriate health care services the Board of
14 Directors determines are necessary to meet the needs
15 of the District.

16 Revised Law

17 Sec. 1035.106. 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, real, personal, or mixed,
20 located in district territory, if the interest is necessary 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 brought by the district,
28 the district is not required to:

- 29 (1) pay in advance or provide a bond or other security
30 for costs in the trial court;
- 31 (2) provide a bond for the issuance of a temporary
32 restraining order or a temporary injunction; or
- 33 (3) provide a bond for costs or a supersedeas bond on
34 an appeal or petition for review. (Acts 59th Leg., R.S., Ch. 310,
35 Sec. 11.)

36 Source Law

37 Sec. 11. Said District shall have the right and

1 power of eminent domain for the purpose of acquiring by
2 condemnation any and all property of any kind or
3 character, real, personal or mixed, or any interest
4 therein, including outright ownership of such property
5 in fee simple absolute, within the boundaries of said
6 District, necessary to the exercise of the rights,
7 powers, privileges and functions conferred upon it by
8 this Act in the manner provided by General Law with
9 respect to condemnation; provided that said District
10 shall not be required to make deposits in the registry
11 of the trial court of the sum required by Paragraph 2,
12 Article 3268, Revised Civil Statutes of Texas, 1925,
13 as amended, or to make the bond required therein. In
14 condemnation proceedings being prosecuted by said
15 District, said District shall not be required to pay in
16 advance or to give bond or other security for costs in
17 the trial court, nor to give any bond otherwise
18 required for the issuance of a temporary restraining
19 order or a temporary injunction relating to a
20 condemnation proceeding, nor to give bond for costs or
21 for superseedeas on any appeal or writ of error
22 proceeding to any Court of Civil Appeals, or to the
23 Supreme Court.

24 Revisor's Note

25 (1) Section 11, Chapter 310, Acts of the 59th
26 Legislature, Regular Session, 1965, provides that the
27 district has the "right and power of eminent domain for
28 the purpose of acquiring [property] by condemnation."
29 The revised law substitutes for the quoted language
30 "may exercise the power of eminent domain to acquire
31 [property]" because the phrases have the same meaning
32 and the latter phrase is consistent with modern usage
33 in laws relating to eminent domain.

34 (2) Section 11, Chapter 310, Acts of the 59th
35 Legislature, Regular Session, 1965, provides that the
36 district must exercise the power of eminent domain in
37 the manner provided by "General Law with respect to
38 condemnation." The revised law substitutes for the
39 quoted language a reference to Chapter 21, Property
40 Code, because that is the general law governing
41 eminent domain.

42 (3) Section 11, Chapter 310, Acts of the 59th
43 Legislature, Regular Session, 1965, refers to
44 "Paragraph 2, Article 3268, Revised Civil Statutes of
45 Texas, 1925, as amended." That statute was codified in
46 1983 as Section 21.021(a), Property Code, and the

1 revised law is drafted accordingly. In addition, the
2 revised law omits the reference to "as amended"
3 because under Section 311.027, Government Code (Code
4 Construction Act), a reference to a statute applies to
5 all reenactments, revisions, or amendments of that
6 statute unless expressly provided otherwise.

7 (4) Section 11, Chapter 310, Acts of the 59th
8 Legislature, Regular Session, 1965, provides that the
9 district is not required to provide bond on any appeal
10 or "writ of error proceeding" to "any Court of Civil
11 Appeals, or to the Supreme Court." The revised law
12 substitutes "petition for review" for "writ of error"
13 because, effective September 1, 1997, the Texas
14 Supreme Court replaced the writ of error procedure
15 with the petition for review procedure. See Rule 53.1,
16 Texas Rules of Appellate Procedure. The revised law
17 also omits the references to the court of civil appeals
18 (now the court of appeals) and the supreme court. The
19 revised law omits the references because the court of
20 appeals and the supreme court are the only courts to
21 which the district may appeal or with which the
22 district may file a petition for review.

23 Revised Law

24 Sec. 1035.107. 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
28 by the donor that are not inconsistent with the proper management
29 and objectives of the district. (Acts 59th Leg., R.S., Ch. 310,
30 Sec. 16.)

31 Source Law

32 Sec. 16. Not by way of limitation, the Board of
33 Directors of said District is authorized in its behalf
34 to accept donations, gifts and endowments for the
35 District to be held in trust and administered by the
36 Board of Directors for such purposes and under such
37 direction, limitations and provisions as may be

1 prescribed in writing by donor, not inconsistent with
2 proper management and objects of the District.

3 Revisor's Note

4 Section 16, Chapter 310, Acts of the 59th
5 Legislature, Regular Session, 1965, refers to
6 "donations" and "gifts." The revised law omits the
7 reference to "donations" because "donations" is
8 included in the meaning of "gifts."

9 Revised Law

10 Sec. 1035.108. CONTRACT WITH NIXON HOSPITAL DISTRICT. The
11 district, through the board, may contract with the Nixon Hospital
12 District of Gonzales and Wilson Counties, Texas, for the district
13 to lease, manage, or operate a health care facility located in the
14 Nixon Hospital District. (Acts 59th Leg., R.S., Ch. 310, Sec.
15 7(d).)

16 Source Law

17 (d) The District, through the Board of
18 Directors, may contract with the Nixon Hospital
19 District of Gonzales and Wilson Counties, Texas, for
20 the District to lease, manage, or operate a health care
21 facility located in the Nixon Hospital District of
22 Gonzales and Wilson Counties, Texas.

23 Revised Law

24 Sec. 1035.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)
25 Each year, the board may set criteria for determining residency,
26 eligibility for service, and the type of services available.

27 (b) When a patient who resides in the district is admitted
28 to a district facility, the district administrator may have an
29 inquiry made into the financial circumstances of:

30 (1) the patient; and

31 (2) a relative of the patient who is legally
32 responsible for the patient's support.

33 (c) The district without charge shall provide to a patient
34 who resides in the district the care and treatment that the patient
35 or a relative of the patient who is legally responsible for the
36 patient's support cannot pay.

37 (d) On determining that the patient or a relative legally
38 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 (e) The district administrator may collect money owed to the
7 district from the patient's estate or from that of a relative
8 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 (f) If there is a dispute relating to an individual's
12 ability to pay, the board shall:

- 13 (1) call witnesses;
- 14 (2) hear and resolve the question; and
- 15 (3) issue a final order.

16 (g) The final order of the board may be appealed to a
17 district court in the county in which the district is located. The
18 substantial evidence rule applies to the appeal. (Acts 59th Leg.,
19 R.S., Ch. 310, Secs. 13A(a), (b) (part), (c), (d), (e), (f).)

20 Source Law

21 Sec. 13A. (a) The District shall without charge
22 supply to a patient residing in the District the care
23 and treatment that the patient or a relative of the
24 patient who is legally responsible for the patient's
25 support cannot pay.

26 (b) . . . The Board annually may set criteria to
27 determine residency, eligibility for services, and the
28 type of services available.

29 (c) The administrator of the District may have
30 an inquiry made into the financial circumstances of
31 any patient residing in the District and admitted to a
32 District facility and into the financial circumstances
33 of a relative of the patient who is legally responsible
34 for the patient's support.

35 (d) On finding that the patient or a relative of
36 the patient legally responsible for the patient's
37 support can pay for all or any part of the care and
38 treatment provided by the District, the administrator
39 shall report that finding to the Board, and the Board
40 shall issue an order directing the patient or the
41 relative to pay the District each week a specified
42 amount that the individual is able to pay.

43 (e) The administrator may collect money owed to
44 the District from the estate of the patient or from
45 that of a relative who was legally responsible for the
46 patient's support in the manner provided by law for
47 collection of expenses in the last illness of a
48 deceased person.

1 (f) If there is a dispute relating to an
2 individual's ability to pay, the Board shall call
3 witnesses, hear and resolve the question, and issue a
4 final order. An appeal from a final order of the Board
5 must be made to a district court in the county in which
6 the District is located and the substantial evidence
7 rule applies.

8 Revisor's Note

9 Section 13A(b), Chapter 310, Acts of the 59th
10 Legislature, Regular Session, 1965, requires the
11 district to adopt an application procedure for
12 assistance eligibility. The revised law omits the
13 provision because it duplicates Sections 61.053(a) and
14 (b), Health and Safety Code, which apply to the
15 district and detail the application procedure. The
16 omitted law reads:

17 (b) Not later than the beginning of
18 each operating year, the District shall
19 adopt an application procedure to determine
20 eligibility for assistance, as provided by
21 Section 10.03, Indigent Health Care and
22 Treatment Act (Article 4438f, Vernon's
23 Texas Civil Statutes). . . .

24 Revised Law

25 Sec. 1035.110. 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
28 care and treatment of a sick or injured person of that county,
29 municipality, or public hospital as provided by Chapter 61, Health
30 and Safety Code.

31 (b) The board shall require the sheriff of DeWitt County or
32 the police chief of any municipality in the district to reimburse
33 the district for the district's care and treatment of a person who
34 is confined in a jail facility of DeWitt County or the municipality
35 and is not a district resident. A prisoner in the DeWitt County
36 jail or in a penal or police facility located in the district is not
37 considered a district resident unless the person would meet the
38 qualifications for residency notwithstanding the incarceration,
39 its duration, or the facts surrounding the incarceration.

40 (c) The board may contract with the state or federal
41 government for that government to reimburse the district for

1 treatment of a sick or injured person. (Acts 59th Leg., R.S., Ch.
2 310, Sec. 13B.)

3 Source Law

4 Sec. 13B. (a) The Board shall require
5 reimbursement from a county, municipality, or public
6 hospital located outside the boundaries of the
7 District for the District's care and treatment of a
8 sick, diseased, or injured person of that county,
9 municipality, or public hospital as provided by the
10 Indigent Health Care and Treatment Act (Article 4438f,
11 Vernon's Texas Civil Statutes).

12 (b) The Board shall require reimbursement from
13 the DeWitt County sheriff or the police chief of any
14 municipality in the District for the District's care
15 and treatment of a person confined in a jail facility
16 of DeWitt County or that municipality who is not a
17 resident of the District. A prisoner in the DeWitt
18 County jail or in a penal or police facility located in
19 the District is not considered a resident of the
20 District unless the person would meet the
21 qualifications for residency notwithstanding the
22 incarceration, its duration, or the facts surrounding
23 the incarceration.

24 (c) The Board may contract with the state or
25 federal government for the state or federal government
26 to reimburse the District for treatment of a sick,
27 diseased, or injured person.

28 Revisor's Note

29 (1) Sections 13B(a) and (c), Chapter 310, Acts
30 of the 59th Legislature, Regular Session, 1965, refer
31 to a "sick, diseased, or injured person." The revised
32 law omits the references to "diseased" because it is
33 included in the meaning of "sick."

34 (2) Section 13B(a), Chapter 310, Acts of the
35 59th Legislature, Regular Session, 1965, refers to the
36 Indigent Health Care and Treatment Act (Article 4438f,
37 Vernon's Texas Civil Statutes). That statute was
38 codified in 1989 as Chapter 61, Health and Safety Code.
39 The revised law is drafted accordingly.

40 Revised Law

41 Sec. 1035.111. AUTHORITY TO SUE AND BE SUED. As a
42 governmental agency, the district may sue and be sued in its own
43 name in any court of this state. (Acts 59th Leg., R.S., Ch. 310,
44 Sec. 15 (part).)

45 Source Law

46 Sec. 15. [The hospital district created under

1 this Act] . . . as a governmental agency may sue and be
2 sued in any and all courts of this State in the name of
3 such District.

4 Revisor's Note
5 (End of Subchapter)

6 Section 13, Chapter 310, Acts of the 59th
7 Legislature, Regular Session, 1965, provides
8 authority for the "State Board of Health, the State
9 Board of Public Welfare, or any other State agency
10 created for a similar purpose" to inspect district
11 facilities and records. The revised law omits Section
12 13 because various state laws, including Chapters 222
13 and 241, Health and Safety Code, provide the necessary
14 inspection authority to appropriate state agencies.
15 The omitted law reads:

16 Sec. 13. After the creation and
17 establishment of said District, it shall be
18 subject to inspection by any duly
19 authorized representative of the State
20 Board of Health, the State Board of Public
21 Welfare, or any other State agency created
22 for a similar purpose, and the resident
23 officers shall admit such representatives
24 into all District facilities and give them
25 access on demand to all records, reports,
26 books, papers and accounts pertaining to
27 said District.

28 [Sections 1035.112-1035.150 reserved for expansion]

29 SUBCHAPTER D. CHANGE IN BOUNDARIES

30 Revised Law

31 Sec. 1035.151. EXPANSION OF TERRITORY; BOARD ORDER. (a)

32 The board may order an election on the question of:

33 (1) expanding the district's boundaries to include all
34 of the territory in DeWitt County that is not included in the Yoakum
35 Hospital District;

36 (2) the assumption by the additional territory of a
37 proportionate share of district debts; and

38 (3) the imposition of taxes in the territory to be
39 added to the district.

40 (b) Subsequent elections may be held on the same issue.

41 (Acts 59th Leg., R.S., Ch. 310, Secs. 1B(a), (h) (part).)

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Source Law

Sec. 1B. (a) The Board of Directors shall order an election on the question of expanding the District's boundaries to include all of the territory in DeWitt County that is not included in the Yoakum Hospital District, the assumption of a proportionate share of District debts, and the levy of taxes in the territory to be added to the District.

(h) [If the election results are not favorable to the proposition to expand the District,] subsequent elections may be held on the same issue.

Revisor's Note

Section 1B(a), Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, provides that the board "shall order an election on the question of expanding the District's boundaries." The revised law omits "shall" as executed because the district held an election to expand the district's boundaries, which failed.

Revised Law

Sec. 1035.152. ANNEXATION OF TERRITORY; PETITION. (a) The district may annex one or more tracts of territory in accordance with the method provided by this subchapter.

(b) A registered voter who resides in a defined territory may file a petition with the board requesting inclusion of the territory in the district. The territory:

(1) must be contiguous to the district's boundaries or to territory to be annexed under this subchapter; and

(2) may not be located in the boundaries of another district or a district for which the legislature has enacted enabling legislation.

(c) The petition must:

(1) describe the territory to be annexed; and

(2) be signed by the lesser of:

(A) at least 100 registered voters who reside in that territory; or

(B) a majority of the registered voters.

(d) The board may act simultaneously on several petitions

1 for annexation. If more than one petition requests annexation of
2 the same territory, the board must act on the first petition filed.

3 (e) The board may not amend a petition. (Acts 59th Leg.,
4 R.S., Ch. 310, Secs. 1C(a), (b), (c) (part), (d) (part).)

5 Source Law

6 Sec. 1C. (a) The District may annex one or more
7 tracts of territory in accordance with the method
8 prescribed by this section.

9 (b) Registered voters who reside in a defined
10 territory that is contiguous to the District
11 boundaries or to territory to be annexed under this
12 section and that is not within the boundaries of
13 another district or a district for which the
14 legislature has enacted enabling legislation, may file
15 a petition with the Board of Directors requesting the
16 inclusion of the territory in the District. The
17 petition must describe the territory to be annexed and
18 must be signed by at least 100 registered voters who
19 reside in that territory or a majority of the
20 registered voters, whichever is less.

21 (c) The Board may act simultaneously on several
22 petitions. If more than one petition requests
23 annexation of the same territory, the Board shall act
24 on the first petition filed. . . .

25 (d) . . . The Board may not amend a petition.

26 Revised Law

27 Sec. 1035.153. APPROVAL OR DENIAL OF ANNEXATION PETITION.

28 (a) If the board finds that annexation of territory into the
29 district is in the district's best interest, the board shall, not
30 later than the 90th day after the date the finding is made:

31 (1) approve the petition filed under Section 1035.152;

32 and

33 (2) order an election on the question of annexing the
34 territory.

35 (b) If the board finds that annexation is not in the
36 district's best interest, the board shall deny the petition filed
37 under Section 1035.152. (Acts 59th Leg., R.S., Ch. 310, Sec. 1C(d)
38 (part).)

39 Source Law

40 (d) If the Board finds that annexation of the
41 territory into the District is in the best interest of
42 the District, the Board shall, not later than the 90th
43 day after the date on which the finding is made,
44 approve the petition and order an election on the
45 question of annexing the territory. If the Board finds
46 that annexation is not in the best interest of the
47 District, the Board shall deny the petition. . . .

1 Revised Law

2 Sec. 1035.154. ELECTION ORDER. (a) The order calling an
3 election under this subchapter must state:

4 (1) the nature of the election, including the
5 proposition to appear on the ballot;

6 (2) the date of the election;

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

8 (4) the location of the polling places.

9 (b) The board shall order an annexation election required by
10 this subchapter so that the territory included in each approved
11 annexation petition is allowed to vote separately on inclusion in
12 the district. (Acts 59th Leg., R.S., Ch. 310, Secs. 1B(b), 1C(c)
13 (part), (e).)

14 Source Law

15 [Sec. 1B]

16 (b) The order calling the election must state:

17 (1) the nature of the election, including
18 the proposition that is to appear on the ballot;

19 (2) the date of the election;

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

22 (4) the location of the polling places.

23 [Sec. 1C]

24 (c) . . . The Board shall order the election
25 required by this section so that the territory
26 included in each approved petition is allowed to vote
27 separately on inclusion in the District.

28 (e) The order calling the election must state:

29 (1) the nature of the election, including
30 the proposition that is to appear on the ballot;

31 (2) the date of the election;

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

34 (4) the location of the polling places.

35 Revised Law

36 Sec. 1035.155. ELECTION DATE. (a) The election in the
37 district and the election in the territory to be added or annexed
38 must be held on the same day.

39 (b) Section 41.001(a), Election Code, does not apply to an
40 election ordered under this section. (Acts 59th Leg., R.S., Ch.
41 310, Secs. 1B(d) (part), (g), 1C(g) (part), (j).)

42 Source Law

43 [Sec. 1B]

1 (d) . . . Section 41.001(a), Election Code,
2 does not apply to an election ordered under this
3 section.

4 (g) The election in the District and the
5 election in the territory to be added must be held on
6 the same day.

7 [Sec. 1C]

8 (g) . . . Section 41.001(a), Election Code,
9 does not apply to an election ordered under this
10 section.

11 (j) The election in the District and the
12 election in the territory to be added must be held on
13 the same day.

14 Revisor's Note

15 Sections 1B(d) and 1C(g), Chapter 310, Acts of
16 the 59th Legislature, Regular Session, 1965, state
17 that an election must be held not less than 35 days nor
18 more than 60 days after the date the election is
19 ordered. The revised law omits those provisions as
20 superseded by Section 3.005, Election Code, applicable
21 to the district under Section 1.002, Election Code.
22 Section 3.005, as amended by Chapter 925, Acts of the
23 78th Legislature, Regular Session, 2003, requires an
24 election order issued by the authority of a political
25 subdivision to be issued not later than the 62nd day
26 before election day and provides that Section 3.005
27 supersedes a law outside the Election Code to the
28 extent of any conflict. The omitted law reads:

29 [Sec. 1B]

30 (d) The election shall be held not
31 less than 35 days nor more than 60 days
32 after the date on which the election is
33 ordered. . . .

34 [Sec. 1C]

35 (g) The election shall be held not
36 less than 35 days nor more than 60 days
37 after the date on which the election is
38 ordered. . . .

39 Revised Law

40 Sec. 1035.156. NOTICE OF ELECTION. (a) The board shall
41 give notice of an election under this subchapter by publishing once
42 a week for two consecutive weeks a substantial copy of the election
43 order in a newspaper with general circulation in the district and

1 the area to be added or annexed.

2 (b) The first publication of the notice must appear at least
3 30 days before the date set for the election. (Acts 59th Leg.,
4 R.S., Ch. 310, Secs. 1B(c), 1C(f).)

5 Source Law

6 [Sec. 1B]

7 (c) The Board shall give notice of the election
8 by publishing a substantial copy of the election order
9 in a newspaper with general circulation in the
10 District and the area to be added once a week for two
11 consecutive weeks. The first publication must appear
12 at least 30 days before the date set for the election.

13 [Sec. 1C]

14 (f) The Board shall give notice of the election
15 by publishing a substantial copy of the election order
16 in a newspaper with general circulation in the
17 District and the area to be annexed once a week for two
18 consecutive weeks. The first publication must appear
19 at least 30 days before the date set for the election.

20 Revised Law

21 Sec. 1035.157. BALLOT. (a) The ballot for an expansion
22 election ordered under Section 1035.151 must be printed to permit
23 voting for or against the proposition: "Expanding the DeWitt
24 Medical District to include all of DeWitt County except that
25 territory included in Yoakum Hospital District, the assumption by
26 the additional territory of its proportionate share of the
27 district's outstanding debts, and the imposition of a tax not to
28 exceed 75 cents on each \$100 of valuation of all taxable property in
29 the expanded area of the district."

30 (b) The ballot for an annexation election ordered under
31 Section 1035.153 must be printed to permit voting for or against the
32 proposition: "Adding (description of territory to be added) to the
33 DeWitt Medical District, the assumption by the additional territory
34 of its proportionate share of the district's outstanding debts, and
35 the imposition of a tax not to exceed 75 cents on each \$100 of
36 valuation of all taxable property in the annexed area of the
37 district." (Acts 59th Leg., R.S., Ch. 310, Secs. 1B(e), 1C(h).)

38 Source Law

39 [Sec. 1B]

40 (e) The ballot for the election shall be printed
41 to permit voting for or against the proposition:
42 "Expanding the DeWitt Medical District to include all

1 of DeWitt County except that territory included in
2 Yoakum Hospital District, the assumption by the
3 additional territory of its proportionate share of the
4 district's outstanding debts, and the levy of a tax not
5 to exceed 75 cents on each \$100 of valuation of all
6 taxable property in the expanded area of the
7 district."

8 [Sec. 1C]

9 (h) The ballot for the election shall be printed
10 to permit voting for or against the proposition:
11 "Adding (description of territory to be added) to the
12 DeWitt Medical District, the assumption by the
13 additional territory of its proportionate share of the
14 district's outstanding debts, and the levy of a tax not
15 to exceed 75 cents on each \$100 of valuation of all
16 taxable property in the expanded area of the
17 district."

18 Revised Law

19 Sec. 1035.158. ELECTION RESULTS. (a) The district
20 boundaries may be expanded or territory may be annexed to the
21 district under this subchapter only if the expansion or annexation,
22 the assumption of debt, and the imposition of taxes are approved by
23 a majority of the voters voting at:

24 (1) an election held in the district; and

25 (2) a separate election held in the territory to be
26 added.

27 (b) If the election results for an election under this
28 subchapter are not favorable to the proposition to expand the
29 district or to annex the territory, subsequent elections may be
30 held on the same issue. (Acts 59th Leg., R.S., Ch. 310, Secs.
31 1B(f), (h), 1C(i), (k).)

32 Source Law

33 [Sec. 1B]

34 (f) The District may not be expanded unless the
35 expansion, the assumption of debt, and the levy of
36 taxes are approved by a majority of the voters at an
37 election held in the District and by a majority of the
38 voters at a separate election held in the territory to
39 be added.

40 (h) If the election results are not favorable to
41 the proposition to expand the District, subsequent
42 elections may be held on the same issue.

43 [Sec. 1C]

44 (i) The territory may not be annexed unless the
45 annexation, the assumption of debt, and the levy of
46 taxes are approved by a majority of the voters at an
47 election held in the District and by a majority of the
48 voters at a separate election held in the territory to
49 be added.

1 (k) If the election results are not favorable to
2 the proposition to annex the territory, subsequent
3 elections may be held on the same issue.

4 [Sections 1035.159-1035.200 reserved for expansion]

5 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

6 Revised Law

7 Sec. 1035.201. DEPOSITORY. (a) The board by resolution
8 shall designate a bank in the county as the district's depository.
9 A designated bank serves for two years and until a successor is
10 designated.

11 (b) All district money shall be secured in the manner
12 provided for securing county funds. (Acts 59th Leg., R.S., Ch. 310,
13 Sec. 10.)

14 Source Law

15 Sec. 10. As soon as practicable [sic] after the
16 election and qualification of the first Board of
17 Directors of said District, said Board shall by
18 resolution designate a bank within the County as the
19 District's depository, and all funds of said District
20 shall be secured in the manner now provided for the
21 security of County funds. Such depository shall serve
22 for a period of two (2) years and until a successor has
23 been selected.

24 Revisor's Note

25 Section 10, Chapter 310, Acts of the 59th
26 Legislature, Regular Session, 1965, requires the board
27 to select a depository "[a]s soon as practicable [sic]
28 after the election and qualification of the first
29 Board of Directors of said District." The revised law
30 omits the quoted language as executed.

31 Revised Law

32 Sec. 1035.202. AUTHORITY TO BORROW MONEY; SECURITY. (a)
33 The board may borrow money at a rate not to exceed the maximum
34 annual percentage rate allowed by law for district obligations at
35 the time of the loan.

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

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

39 (2) a district tax to be imposed by the district during
40 the 12-month period following the date of the pledge that is not

1 pledged to pay the principal of or interest on district bonds; or
2 (3) district bonds that have been authorized but not
3 sold.

4 (c) A loan for which taxes or bonds are pledged must mature
5 not later than the anniversary of the date the loan is made. A loan
6 for which district revenue is pledged must mature not later than the
7 10th anniversary of the date the loan is made. (Acts 59th Leg.,
8 R.S., Ch. 310, Sec. 12A.)

9 Source Law

10 Sec. 12A. (a) The Board may borrow money at a
11 rate not to exceed the maximum annual percentage rate
12 allowed by law for District obligations at the time of
13 the loan.

14 (b) To secure a loan, the Board may pledge:

15 (1) revenues of the District that are not
16 pledged to pay bonded indebtedness of the District;

17 (2) District taxes to be levied by the
18 District during the 12-month period following the date
19 of the pledge that are not pledged to pay the principal
20 of or interest on District bonds; or

21 (3) District bonds that have been
22 authorized but not sold.

23 (c) A loan for which taxes or bonds are pledged
24 must mature not later than the anniversary of the date
25 on which the loan is made. A loan for which District
26 revenues are pledged must mature not later than the
27 10th anniversary of the date on which the loan is made.

28 [Sections 1035.203-1035.250 reserved for expansion]

29 SUBCHAPTER F. BONDS

30 Revised Law

31 Sec. 1035.251. GENERAL OBLIGATION BONDS. The board may
32 issue and sell general obligation bonds authorized by an election
33 in the name and on the faith and credit of the district for any
34 purpose relating to:

35 (1) the purchase, construction, acquisition, repair,
36 or renovation of buildings or improvements; and

37 (2) equipping buildings or improvements for hospital
38 purposes. (Acts 59th Leg., R.S., Ch. 310, Sec. 12(a) (part).)

39 Source Law

40 Sec. 12. (a) The Board of Directors shall have
41 the power and authority to issue and sell, as the
42 obligations of the District, and in the name and upon
43 the faith and credit of the District, general
44 obligation bonds authorized by an election for the
45 purchase, construction, acquisition, repair or
46 renovation of buildings and improvements and equipping

1 the same for hospital purposes and for any or all of
2 such purposes. . . .

3 Revised Law

4 Sec. 1035.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
5 the time general obligation bonds are issued under Section
6 1035.251, an ad valorem tax shall be imposed at a rate sufficient to
7 create an interest and sinking fund to pay the principal of and
8 interest on the bonds as the bonds mature.

9 (b) The tax required by this section together with any other
10 ad valorem tax imposed for the district may not in any year exceed
11 75 cents on each \$100 valuation of all taxable property in the
12 district. (Acts 59th Leg., R.S., Ch. 310, Sec. 12(a) (part).)

13 Source Law

14 (a) . . . At the time of issuance of any general
15 obligation bonds, sufficient annual tax shall be
16 levied to create an interest and sinking fund to pay
17 the interest on and principal of the bonds as same
18 mature, providing the tax together with any other
19 taxes levied for the District shall not exceed a rate
20 of seventy-five cents (75¢) on each One Hundred Dollar
21 valuation of all taxable property within the District
22 in any one year.

23 Revisor's Note

24 Section 12(a), Chapter 310, Acts of the 59th
25 Legislature, Regular Session, 1965, requires the levy
26 of a tax to pay the principal of and interest on bonds.
27 The revised law specifies that the tax is an "ad
28 valorem" tax because it is clear from the source law
29 that the tax is a property tax and "ad valorem" is the
30 term most commonly used to refer to a property tax.

31 Revised Law

32 Sec. 1035.253. GENERAL OBLIGATION BOND ELECTION. (a) The
33 district may issue general obligation bonds only if the bonds are
34 authorized by a majority of the district voters voting in an
35 election called for that purpose and ordered by the board on its own
36 motion.

37 (b) The election shall be conducted in accordance with
38 Chapter 1251, Government Code. (Acts 59th Leg., R.S., Ch. 310,
39 Secs. 6 (part), 12(c).)

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Source Law

Sec. 6. . . . all bond elections shall be ordered and the returns thereof shall be canvassed by said Board of Directors.

[Sec. 12]

(c) No general obligation bonds shall be issued by the District until authorized by a majority vote of the District voters voting in an election called by the Board of Directors on its own motion, and the election shall be conducted in accordance with Chapter 1251, Government Code.

Revisor's Note

Section 6, Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, provides that "the [election] returns thereof shall be canvassed by said Board of Directors." The revised law omits the quoted language because it duplicates Section 67.002, Election Code, which requires the governing body of a political subdivision that orders an election to canvass the returns.

Revised Law

Sec. 1035.254. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds. (Acts 59th Leg., R.S., Ch. 310, Sec. 12(b) (part).)

Source Law

(b) District bonds shall be executed in the name of the District and on its behalf by the president of the Board of Directors, countersigned by the secretary of the Board, and

Revisor's Note

Section 12(b), Chapter 310, Acts of the 59th Legislature, Regular Session, 1965, provides that district bonds are subject to the requirements of Chapter 1202, Government Code, that relate to bond approval by the attorney general and registration of the bonds by the comptroller. The revised law omits the provision because it duplicates provisions of general law. Section 1202.003(a), Government Code, requires the bonds to be submitted to the attorney

1 general. Section 1202.003(b), Government Code,
2 provides for approval of the bonds by the attorney
3 general and requires the attorney general to submit
4 the approved bonds to the comptroller for
5 registration. Section 1202.005, Government Code,
6 requires registration of the bonds by the comptroller.
7 Those sections apply to district bonds by application
8 of Section 1202.001, Government Code. The omitted law
9 reads:

10 (b) [District bonds] . . . shall be
11 subject to the same requirements in the
12 manner of approval by the Attorney General
13 of the State of Texas and the registration
14 by the Comptroller of Public Accounts of the
15 State of Texas as are provided by Chapter
16 1202, Government Code. . . .

17 Revised Law

18 Sec. 1035.255. INVESTMENT OF BOND PROCEEDS. Until the
19 proceeds from the sale of district bonds are needed to carry out the
20 bond purpose, the proceeds may be:

21 (1) invested in direct obligations of the United
22 States; or

23 (2) placed on time deposit. (Acts 59th Leg., R.S., Ch.
24 310, Sec. 12(b) (part).)

25 Source Law

26 (b) . . . Until the time the bond proceeds are
27 needed to carry out the bond purpose, the proceeds may
28 be invested in direct obligations of the United States
29 of America or may be placed on time deposit, or both.

30 Revised Law

31 Sec. 1035.256. REVENUE BONDS. (a) The board may issue and
32 sell revenue bonds in the name and on the faith and credit of the
33 district to purchase, construct, acquire, repair, renovate, or
34 equip buildings or improvements for district purposes.

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

38 (c) The bonds may be additionally secured by a mortgage or
39 deed of trust lien on all or part of district property.

1 (d) The bonds must be issued in the manner provided by
2 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
3 Health and Safety Code, for the issuance of revenue bonds by a
4 county hospital authority. (Acts 59th Leg., R.S., Ch. 310, Sec.
5 12(e).)

6 Source Law

7 (e) The Board may issue and sell revenue bonds
8 in the name and on the faith and credit of the District
9 to purchase, construct, acquire, repair, renovate, or
10 equip buildings or improvements for District purposes.
11 The bonds shall be payable from and secured by a pledge
12 of all or part of the revenues derived from the
13 operation of the District's hospital system. The bonds
14 may be additionally secured by a mortgage or deed of
15 trust lien on all or part of the District's property.
16 The revenue bonds shall be issued in the manner
17 provided by Sections 264.042, 264.043, and
18 264.046-264.049, Health and Safety Code, for the
19 issuance of revenue bonds by county hospital
20 authorities.

21 Revisor's Note
22 (End of Subchapter)

23 (1) Section 12(a), Chapter 310, Acts of the 59th
24 Legislature, Regular Session, 1965, provides that
25 district bonds shall be sold at the time, in the
26 manner, at the price, and on the terms provided by the
27 board. The revised law omits that provision because it
28 duplicates or is superseded by provisions of general
29 law. Sections 1201.005 and 1201.024, Government Code,
30 provide that an issuer, including a hospital district,
31 may specify the form of a bond it issues. Section
32 1201.021, Government Code, provides that the governing
33 body of an issuer may issue bonds in any denomination.
34 Sections 1201.005 and 1201.022, Government Code,
35 provide that a governmental entity may specify the
36 terms under which a bond is issued. Those sections
37 apply to district bonds by application of Section
38 1201.002, Government Code. The omitted law reads:

39 (a) . . . The bonds shall be sold at
40 the time or times, in the manner, at the
41 price and on the terms as may be determined
42 by the Board. . . .

43 (2) Section 12(d), Chapter 310, Acts of the 59th

1 Legislature, Regular Session, 1965, provides that the
2 district may issue refunding bonds without an election
3 and that the bonds shall be issued in accordance with
4 Chapter 1207, Government Code. The revised law omits
5 the provisions because Chapter 1207, which applies to
6 the district by its own terms, provides general
7 authority for an issuer, including a hospital
8 district, to issue refunding securities, and Section
9 1207.003, Government Code, authorizes an issuer to
10 issue refunding bonds without an election. The
11 omitted law reads:

12 (d) The District may, without
13 election, issue refunding bonds to refund
14 or pay off any validly issued and
15 outstanding District bonds issued or
16 assumed by the District. Refunding bonds
17 shall be issued in accordance with Chapter
18 1207, Government Code.

19 (3) Section 14, Chapter 310, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that
21 district bonds are legal and authorized investments
22 for certain entities. The revised law omits the
23 provision as unnecessary. As to several of the
24 entities listed, Section 14 has been superseded and
25 impliedly repealed. Investments in securities by
26 banks are regulated by Section 34.101, Finance Code
27 (enacted in 1995 as Section 5.101, Texas Banking Act
28 (Article 342-5.101, Vernon's Texas Civil Statutes)).
29 Investments in securities by savings banks are
30 regulated by Section 93.001(c)(10), Finance Code
31 (enacted in 1993 as Section 7.15(10), Texas Savings
32 Bank Act (Article 489e, Vernon's Texas Civil
33 Statutes)). Investments in securities by trust
34 companies are regulated by Section 184.101, Finance
35 Code (enacted in 1997 as Section 5.101, Texas Trust
36 Company Act (Article 342a-5.101, Vernon's Texas Civil
37 Statutes)). Investments in securities by building and

1 loan associations (now called savings and loan
2 associations) are regulated by Sections 63.002 and
3 64.001, Finance Code. As to the remaining entities
4 listed, Section 14 is superseded by Section 1201.041,
5 Government Code, enacted as Section 9, Bond Procedures
6 Act of 1981 (Article 717k-6, Vernon's Texas Civil
7 Statutes). While Section 14 lists "guardians" and
8 Section 1201.041 does not, the latter statute includes
9 "fiduciaries" and a guardian is a fiduciary. Section
10 1201.041, Government Code, applies to district bonds
11 by application of Section 1201.002, Government Code.
12 The omitted law reads:

13 Sec. 14. All bonds issued by said
14 District shall be and are hereby declared to
15 be legal and authorized investments for
16 banks, savings banks, trust companies,
17 building and loan associations, insurance
18 companies, fiduciaries, trustees,
19 guardians, and for the sinking funds of
20 cities, towns, villages, counties, school
21 districts or other political corporations
22 or subdivisions of the State of Texas; and
23

24 (4) Section 14, Chapter 310, Acts of the 59th
25 Legislature, Regular Session, 1965, provides that
26 district bonds may secure certain deposits. Although
27 Section 14 does not specifically mention the deposits
28 the bonds are eligible to secure, the only deposits
29 they could secure would be deposits of public funds of
30 this state or political subdivisions of this state. As
31 such, the revised law omits the provision as impliedly
32 repealed by Section 404.0221, Government Code (enacted
33 in 1995), which lists eligible collateral for deposits
34 of state funds by the comptroller, and by Chapter 2257,
35 Government Code (enacted in 1989 as Article 2529d,
36 Vernon's Texas Civil Statutes), which governs eligible
37 collateral for deposits of funds of other public
38 agencies, including political subdivisions. The
39 omitted law reads:

1 Sec. 14. . . . such bonds shall be
2 lawful and sufficient security for deposits
3 to the extent of their face value when
4 accompanied by all unmatured coupons
5 pertinent thereto.

6 [Sections 1035.257-1035.300 reserved for expansion]

7 SUBCHAPTER G. TAXES

8 Revised Law

9 Sec. 1035.301. 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 board shall impose the tax to:

13 (1) meet the requirements of district bonds;

14 (2) provide for the district's maintenance and
15 operating expenses;

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

18 (4) acquire necessary sites by gift, purchase, lease,
19 or condemnation. (Acts 59th Leg., R.S., Ch. 310, Sec. 8 (part).)

20 Source Law

21 Sec. 8. Upon the creation of such District, the
22 Board of Directors shall have the power and authority,
23 and it shall be their duty, to levy on all property
24 subject to District taxation for the benefit of the
25 District, a tax . . . for the purposes of: (1) meeting
26 the requirements of the District's bonds; (2)
27 providing for the District's maintenance and operating
28 expenses; and (3) making improvements and additions
29 to its hospitals or hospital system, and for the
30 acquisition of the necessary sites therefor, by gift,
31 purchase, lease or condemnation. . . .

32 Revisor's Note

33 Section 8, Chapter 310, Acts of the 59th
34 Legislature, Regular Session, 1965, provides that
35 "[u]pon the creation of such District," the board
36 shall impose taxes. The revised law omits the quoted
37 language as executed.

38 Revised Law

39 Sec. 1035.302. TAX RATE. The board shall impose the tax at
40 a rate not to exceed 75 cents on each \$100 valuation of all taxable
41 property in the district. (Acts 59th Leg., R.S., Ch. 310, Sec. 8
42 (part).)

1 Source Law

2 Sec. 8. . . . [the Board of Directors shall
3 . . . levy . . . a tax . . .] at a rate not to exceed
4 seventy-five cents (75¢) on the One Hundred Dollar
5 valuation of all taxable property within such
6 District,

7 Revised Law

8 Sec. 1035.303. TAX ASSESSOR-COLLECTOR. The board may:

9 (1) appoint a tax assessor-collector for the district;

10 or

11 (2) contract for the assessment and collection of
12 taxes as provided by the Tax Code. (Acts 59th Leg., R.S., Ch. 310,
13 Sec. 9 (part).)

14 Source Law

15 Sec. 9. . . . The Board may provide for the
16 appointment of a tax assessor-collector for the
17 District or may contract for the assessment and
18 collection of taxes as provided by the Tax Code.

19 Revisor's Note

20 Section 9, Chapter 310, Acts of the 59th
21 Legislature, Regular Session, 1965, provides that the
22 Tax Code governs the appraisal, assessment, and
23 collection of district taxes. The revised law omits
24 that provision because Section 1.02, Tax Code,
25 requires all taxing units of government to administer
26 the assessment and collection of an ad valorem tax in
27 conformity with Title 1, Tax Code. The omitted law
28 reads:

29 Sec. 9. The Tax Code governs the
30 appraisal, assessment, and collection of
31 District taxes. . . .

32 Revisor's Note
33 (End of Chapter)

34 (1) Section 2, Chapter 310, Acts of the 59th
35 Legislature, Regular Session, 1965, provides that the
36 act does not provide for the transfer of property or
37 assumption of certain debt. The revised law omits that
38 provision as executed. The omitted law reads:

39 Sec. 2. . . . Since there is no
40 hospital, hospital system or hospital

1 facilities of any nature presently owned by
2 DeWitt County or any city or town within the
3 boundaries of said District, no provisions
4 are made herein for the transfer of
5 properties or equipment or the assumption
6 of outstanding indebtedness heretofore
7 incurred for hospital purposes. . . .

8 (2) Section 17, Chapter 310, Acts of the 59th
9 Legislature, Regular Session, 1965, provides that the
10 act is severable. The revised law omits that provision
11 because it duplicates Section 311.032, Government Code
12 (Code Construction Act), which provides that a
13 provision of a statute is severable from each other
14 provision of the statute that can be given effect. The
15 omitted law reads:

16 Sec. 17. . . . If any provision of
17 this Act should be invalid, such fact shall
18 not affect the authorization for the
19 creation of the District or the validity of
20 any other provisions of this Act, and the
21 Legislature hereby declares that it would
22 have created the District and enacted the
23 valid provisions of this Act
24 notwithstanding the invalidity of any other
25 provision or provisions hereof.

26 (3) Section 18, Chapter 310, Acts of the 59th
27 Legislature, Regular Session, 1965, provides that
28 public notice of enactment of the statute was provided
29 in a manner that satisfies the requirements of the
30 Texas Constitution. The revised law omits that
31 section as executed. The omitted law reads:

32 Sec. 18. Proof of publication of the
33 constitutional notice required in the
34 enactment hereof under the provisions of
35 Section 9, Article IX, Constitution of the
36 State of Texas, has been made in the manner
37 and form provided by law pertaining to the
38 enactment of Local and Special Laws and is
39 hereby found and declared to be proper and
40 sufficient to satisfy such requirement.

41 CHAPTER 1056. MARTIN COUNTY HOSPITAL DISTRICT

42 SUBCHAPTER A. GENERAL PROVISIONS

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16		SUBCHAPTER A. GENERAL PROVISIONS	
17		<u>Revised Law</u>	
18	Sec. 1056.001.	DEFINITIONS. In this chapter:	
19	(1)	"Board" means the board of hospital managers of	
20		the district.	
21	(2)	"District" means the Martin County Hospital	
22		District.	
23	(3)	"Manager" means a member of the board. (New.)	
24		<u>Revisor's Note</u>	
25		The definitions of "board," "district," and	
26		"manager" are added to the revised law for drafting	
27		convenience and to eliminate frequent, unnecessary	
28		repetition of the substance of the definitions.	
29		<u>Revised Law</u>	
30	Sec. 1056.002.	AUTHORITY FOR OPERATION. The Martin County	
31		Hospital District operates in accordance with and has the powers	
32		and responsibilities provided by Section 9, Article IX, Texas	
33		Constitution. (Acts 60th Leg., R.S., Ch. 674, Sec. 1 (part).)	

1 Source Law

2 Sec. 1. In accordance with the provisions of
3 Article IX, Section 9, Constitution of the State of
4 Texas, this Act shall be operative so as to authorize
5 the creation, establishment, maintenance and
6 operation of a Hospital District within the State of
7 Texas, to be known as Martin County Hospital District,
8 and . . . said District shall have the powers and
9 responsibilities provided by the aforesaid
10 Constitutional provision.

11 Revisor's Note

12 Section 1, Chapter 674, Acts of the 60th
13 Legislature, Regular Session, 1967, authorizes the
14 "creation, establishment, maintenance and operation"
15 of the district. The revised law omits "creation" and
16 "establishment" as executed. The revised law omits
17 "maintenance" because, in this context, that term is
18 included in the meaning of "operation."

19 Revised Law

20 Sec. 1056.003. DISTRICT TERRITORY. The boundaries of the
21 district are coextensive with the boundaries of Martin County.
22 (Acts 60th Leg., R.S., Ch. 674, Sec. 1 (part).)

23 Source Law

24 Sec. 1. . . . [Martin County Hospital District]
25 . . . the boundaries of said District shall be
26 coextensive with the boundaries of Martin County
27

28 Revisor's Note
29 (End of Subchapter)

30 Section 2, Chapter 674, Acts of the 60th
31 Legislature, Regular Session, 1967, provides
32 procedures for holding an election on the creation of
33 the district, the imposition of an ad valorem tax, and
34 the assumption of debt. Section 2 also provides for
35 the election to include a proposition authorizing the
36 district to issue bonds. Because the election
37 creating the district has been held, the revised law
38 omits the relevant law as executed. The omitted law
39 reads:

40 Sec. 2. . . . provided, however,
41 that such Hospital District shall not be
42 created unless and until an election is duly

1 held in said county for such purpose, which
2 said election may be initiated by the
3 Commissioners Court upon its own motion or
4 upon a petition of one hundred (100)
5 resident legally qualified property
6 taxpaying voters, to be held not less than
7 thirty (30) days from the time said election
8 is ordered by the Commissioners Court. At
9 such election there shall be submitted to
10 the resident legally qualified property
11 taxpaying voters the proposition of whether
12 or not a Hospital District shall be created
13 in the county; and a majority of the
14 resident legally qualified property
15 taxpaying electors participating in said
16 election voting in favor of the proposition
17 shall be necessary. The ballots for said
18 election shall have printed thereon:

19 "FOR the creation of a Hospital
20 District; providing for the levy of a tax
21 not to exceed Seventy-five Cents (75¢) on
22 the One Hundred Dollars (\$100.00)
23 valuation; and providing for the assumption
24 by such District of all outstanding bonds
25 heretofore issued by Martin County for
26 hospital purposes"; and

27 "AGAINST the creation of a Hospital
28 District; providing for the levy of a tax
29 not to exceed Seventy-five Cents (75¢) on
30 the One Hundred Dollars (\$100.00)
31 valuation; and providing for the assumption
32 by such District of all outstanding bonds
33 heretofore issued by Martin County for
34 hospital purposes."

35 At said election there may also be
36 submitted the question of the issuance of
37 bonds of the District in an amount that may
38 be prayed for in the aforesaid petition or
39 as determined by the Commissioners Court if
40 said election is ordered on its own motion;
41 and in the event the question of the
42 issuance of bonds is submitted at said
43 election, the ballots shall have printed
44 thereon:

45 "FOR the issuance of bonds of the
46 District in the amount of _____ and the
47 levying of the tax in payment thereof;
48 provided, however, that said tax together
49 with the tax for maintenance and operation
50 purposes shall never exceed Seventy-five
51 Cents (75¢) on the One Hundred Dollars
52 (\$100.00) valuation of taxable property in
53 the District; and

54 "AGAINST the issuance of bonds of the
55 District in the amount of \$_____ and the
56 levying of the tax in payment thereof;
57 provided, however, that said tax together
58 with the tax for maintenance and operation
59 purposes shall never exceed Seventy-five
60 Cents (75¢) on the One Hundred Dollars
61 (\$100.00) valuation of taxable property in
62 the District."

63 Notice of such election shall be
64 posted at the county courthouse door and at
65 a public place in each Commissioner's
66 Precinct in the county at least thirty (30)
67 days prior to the date of the election and
68 shall be published in a newspaper of general
69 circulation published in the county, on the

1 same day in each of three successive weeks,
2 the date of the first publication to be not
3 less than thirty (30) days prior to the date
4 of the election.

5 If the proposition to create the
6 Martin County Hospital District fails to
7 carry at the election, no other election for
8 the same purpose may be held within one year
9 after the result of the election is
10 announced officially.

11 [Sections 1056.004-1056.050 reserved for expansion]

12 SUBCHAPTER B. DISTRICT ADMINISTRATION

13 Revised Law

14 Sec. 1056.051. BOARD APPOINTMENT; TERM. (a) The board
15 consists of six managers appointed by the Martin County
16 Commissioners Court.

17 (b) Managers serve staggered two-year terms, with three
18 managers appointed each year. (Acts 60th Leg., R.S., Ch. 674, Sec.
19 3 (part).)

20 Source Law

21 Sec. 3. As soon as the Hospital District is
22 created and authorized at the election hereinabove
23 provided, the Commissioners Court shall appoint a
24 Board of Hospital Managers, consisting of six (6)
25 members, three of whom shall serve for a term of two
26 (2) years and three of whom shall serve for a term of
27 one (1) year; thereafter, three members shall be
28 appointed each year to serve for a term of two (2)
29 years. . . .

30 Revisor's Note

31 Section 3, Chapter 674, Acts of the 60th
32 Legislature, Regular Session, 1967, prescribes the
33 procedures for appointing the initial board. The
34 revised law omits the specific provision relating to
35 the terms of the initial managers as executed but
36 revises the establishment of a board consisting of six
37 managers serving staggered two-year terms and, in so
38 doing, establishes staggered two-year terms for the
39 managers.

40 Revised Law

41 Sec. 1056.052. BOARD VACANCY. If a vacancy occurs in the
42 office of manager, the remaining managers shall appoint a manager
43 for the unexpired term. (Acts 60th Leg., R.S., Ch. 674, Sec. 3

1 (part).)

2 Source Law

3 Sec. 3. . . . In the event a vacancy occurs on
4 the Board of Hospital Managers, the remaining members
5 shall appoint a member to fill such vacancy for the
6 remainder of the term of office so vacated. . . .

7 Revised Law

8 Sec. 1056.053. NONATTENDANCE. The failure of a manager to
9 attend three consecutive regular board meetings causes a vacancy in
10 the manager's office unless the absence is excused by formal action
11 of the board. (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

12 Source Law

13 Sec. 3. . . . Failure of any member of the Board
14 of Hospital Managers to attend three (3) consecutive
15 regular meetings of the Board shall cause a vacancy in
16 his office, unless such absence is excused by formal
17 action of the Board. . . .

18 Revised Law

19 Sec. 1056.054. OFFICERS. (a) The board shall select from
20 among the managers a presiding officer, who shall preside over the
21 board.

22 (b) A presiding officer pro tem shall preside in the absence
23 of the presiding officer.

24 (c) The district administrator or any manager may be
25 appointed secretary. (Acts 60th Leg., R.S., Ch. 674, Sec. 3
26 (part).)

27 Source Law

28 Sec. 3. . . . From among its members, the Board
29 shall choose a Chairman, who shall preside; or in his
30 absence a Chairman Pro Tem shall preside; and the
31 Administrator or any member of the Board may be
32 appointed Secretary. . . .

33 Revisor's Note

34 Section 3, Chapter 674, Acts of the 60th
35 Legislature, Regular Session, 1967, refers to a
36 "Chairman" and a "Chairman Pro Tem." Throughout this
37 chapter, the revised law substitutes "presiding
38 officer" and "presiding officer pro tem" for those
39 terms because, in context, the terms have the same
40 meaning and "presiding officer" is more commonly used

1 and is gender-neutral.

2 Revised Law

3 Sec. 1056.055. COMPENSATION; EXPENSES. A manager serves
4 without compensation but may be reimbursed for actual and necessary
5 travel and other expenses incurred in the performance of the
6 manager's duties as determined by the board. (Acts 60th Leg., R.S.,
7 Ch. 674, Sec. 3 (part).)

8 Source Law

9 Sec. 3. . . . The Board of Hospital Managers
10 shall serve without compensation but may be reimbursed
11 for their actual and necessary traveling and other
12 expenses incurred in the performance of their duties
13 as determined by the Board of Hospital Managers. . . .

14 Revised Law

15 Sec. 1056.056. QUORUM. A majority of the board present
16 shall constitute a quorum for the transaction of business. (Acts
17 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

18 Source Law

19 Sec. 3. . . .
20 A majority of the Board of Hospital Managers
21 present shall constitute a quorum for the transaction
22 of any business. . . .

23 Revised Law

24 Sec. 1056.057. RECORDS OF PROCEEDINGS. (a) The board shall
25 require the secretary to keep suitable records of all proceedings
26 of each board meeting.

27 (b) After each meeting:

28 (1) the manager presiding at the meeting shall read
29 and sign the record; and

30 (2) the secretary shall attest the record. (Acts 60th
31 Leg., R.S., Ch. 674, Sec. 3 (part).)

32 Source Law

33 Sec. 3. . . . The Board shall require the
34 Secretary to keep suitable records of all proceedings
35 of each meeting of the Board. Such records shall be
36 read and signed after each meeting by the Chairman or
37 the member presiding, and attested by the
38 Secretary. . . .

39 Revised Law

40 Sec. 1056.058. DISTRICT ADMINISTRATOR. (a) The board

1 shall appoint a general manager qualified by training and
2 experience as the district administrator.

3 (b) The district administrator is entitled to receive the
4 compensation determined by the board.

5 (c) The board may remove the district administrator at any
6 time.

7 (d) Before assuming the duties of district administrator,
8 the administrator must execute a bond payable to the district in an
9 amount of not less than \$10,000 that:

10 (1) is conditioned on the administrator performing
11 well and faithfully the administrator's required duties; and

12 (2) contains other conditions the board may require.

13 (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

14 Source Law

15 Sec. 3. . . .
16 The Board shall appoint a general manager, to be
17 known as the Administrator of the Hospital District,
18 and who shall receive such compensation as may be fixed
19 by the Board. The Administrator shall be subject to
20 removal at any time by the Board. The Administrator
21 shall, before entering into the discharge of his
22 duties, execute a bond payable to the District, in the
23 amount of not less than Ten Thousand Dollars
24 (\$10,000.00), conditioned that he shall well and
25 faithfully perform the duties required of him, and
26 containing such other conditions as the Board may
27 require. . . . He shall be a person qualified by
28 training and experience for the position of
29 Administrator.
30 . . .

31 Revised Law

32 Sec. 1056.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
33 Subject to the limitations prescribed by the board, the district
34 administrator shall:

35 (1) perform the duties required by the board;

36 (2) supervise the work and activities of the district;

37 and

38 (3) direct the affairs of the district. (Acts 60th
39 Leg., R.S., Ch. 674, Sec. 3 (part).)

40 Source Law

41 Sec. 3. . . . The Administrator shall perform
42 all duties which may be required of him by the Board,
43 and shall supervise all of the work and activities of

1 the District, and have general direction of the
2 affairs of the District, within such limitations as
3 may be prescribed by the Board. . . .

4 Revised Law

5 Sec. 1056.060. ASSISTANT ADMINISTRATOR. (a) The board may
6 designate an assistant administrator to discharge a duty or
7 function of the district administrator in the event of the
8 administrator's incapacity, absence, or inability to discharge the
9 duty or function.

10 (b) The assistant administrator shall post the bond
11 required by board order.

12 (c) The assistant administrator is subject to the
13 limitations prescribed by board order. (Acts 60th Leg., R.S., Ch.
14 674, Sec. 5.)

15 Source Law

16 Sec. 5. In the event of incapacity, absence or
17 inability of the Administrator to discharge any of the
18 duties required of him, the Board may designate an
19 assistant to the Administrator to discharge any duties
20 or functions required of the Administrator. Such
21 assistant or other persons shall give bond and have
22 such limitations upon his authority as may be fixed by
23 the order of the Board.

24 Revised Law

25 Sec. 1056.061. LEGAL COUNSEL. The board may employ legal
26 counsel to represent the district in all legal matters when the
27 board considers the employment advisable. (Acts 60th Leg., R.S.,
28 Ch. 674, Sec. 10.)

29 Source Law

30 Sec. 10. The Board of Hospital Managers shall be
31 authorized to employ legal counsel to represent the
32 Hospital District in all legal matters whenever the
33 Board deems such action advisable.

34 Revised Law

35 Sec. 1056.062. EMPLOYEES. The board shall authorize the
36 district administrator to employ any employees as considered
37 advisable for the efficient operation of the hospital or hospital
38 system. (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

39 Source Law

40 Sec. 3. . . .
41 The Board of Hospital Managers shall give the
42 authority to the Administrator to employ such

1 employees of every kind and character as may be deemed
2 advisable for the efficient operation of the hospital
3 or hospital system.

4 . . .

5 Revised Law

6 Sec. 1056.063. RETIREMENT PROGRAM. The board may:

7 (1) contract with this state or the federal government
8 as necessary to establish or continue a retirement program for the
9 benefit of district employees; or

10 (2) establish other retirement programs for the
11 benefit of district employees as it considers necessary and
12 advisable. (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

13 Source Law

14 Sec. 3. . . . Further, under the same
15 conditions, the Board of Hospital Managers may enter
16 into such contracts with the state and Federal
17 Government as may be necessary to establish or
18 continue a retirement program for the benefit of its
19 employees.

20 The Board of Hospital Managers may in addition to
21 retirement programs authorized by this Act establish
22 such other retirement program for the benefit of its
23 employees as it deems necessary and advisable.

24 . . .

25 Revisor's Note

26 Section 3, Chapter 674, Acts of the 60th
27 Legislature, Regular Session, 1967, states that "under
28 the same conditions," the board may enter into
29 contracts with this state or the federal government to
30 establish or continue a retirement program. The
31 revised law omits the quoted language because the act
32 does not provide any such conditions.

33 Revised Law

34 Sec. 1056.064. SEAL. The board shall have a seal engraved
35 with the district's name to authenticate the acts of the board. The
36 secretary of the board shall keep the seal. (Acts 60th Leg., R.S.,
37 Ch. 674, Sec. 3 (part).)

38 Source Law

39 Sec. 3. . . . The Board shall have a seal, on
40 which shall be engraved the name of the Hospital
41 District; and said seal shall be kept by the Secretary
42 and used in authentication of all acts of the Board.

43 [Sections 1056.065-1056.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 1056.101. DISTRICT RESPONSIBILITY. (a) The district
4 shall admit patients to the hospital who are:

5 (1) district inhabitants; and

6 (2) able to pay for medical and hospital care.

7 (b) The district has full responsibility for providing
8 medical and hospital care for:

9 (1) eligible needy district inhabitants who are not
10 able to pay all or a part of the cost of the care; and

11 (2) eligible needy and indigent district residents.

12 (Acts 60th Leg., R.S., Ch. 674, Secs. 2 (part), 11 (part).)

13 Source Law

14 Sec. 2. That said District hereby provided for
15 shall admit patients to the hospital who are
16 inhabitants of the District and who are able to pay for
17 medical and hospital care and shall assume full
18 responsibility for providing medical and hospital care
19 for the eligible needy inhabitants of the district who
20 are not able to pay all or a part of the cost of such
21 medical and hospital care;

22 Sec. 11. . . . such Hospital District shall be
23 deemed to have assumed full responsibility for the
24 furnishing of medical and hospital care for the
25 eligible needy and indigent persons residing in said
26 Hospital District from the date that taxes are
27 collected for the Hospital District.
28 . . .

29 Revisor's Note

30 Sections 2 and 11, Chapter 674, Acts of the 60th
31 Legislature, Regular Session, 1967, provide that the
32 district "shall assume" or "shall be deemed to have
33 assumed" full responsibility for providing medical and
34 hospital care for certain district residents and
35 inhabitants, and Section 11 provides that the district
36 shall assume that responsibility "from the date that
37 taxes are collected for the Hospital District." The
38 revised law substitutes "has" for "shall assume" and
39 "shall be deemed to have assumed" because the duty to
40 assume the responsibility is executed. The revised
41 law omits "from the date that taxes are collected for

1 the Hospital District" as executed.

2 Revised Law

3 Sec. 1056.102. RESTRICTION ON COUNTY OR MUNICIPALITY
4 TAXATION. Martin County or a municipality in the county may not
5 impose a tax for hospital purposes. (Acts 60th Leg., R.S., Ch. 674,
6 Secs. 1 (part), 11 (part).)

7 Source Law

8 Sec. 1. . . . Martin County (hereinafter
9 referred to as the "County"), and

10 Sec. 11. Neither the county nor any city therein
11 shall, after the Hospital District has been organized
12 in pursuance of this Act, levy any tax for hospital
13 purposes; and

14 Revisor's Note

15 (1) Section 11, Chapter 674, Acts of the 60th
16 Legislature, Regular Session, 1967, refers to a
17 "city." The revised law substitutes "municipality"
18 for "city" because that is the term used in the Local
19 Government Code.

20 (2) Section 11, Chapter 674, Acts of the 60th
21 Legislature, Regular Session, 1967, provides that
22 "after the Hospital District has been organized in
23 pursuance of this Act" certain political subdivisions
24 may not levy a tax for hospital purposes. The revised
25 law omits the quoted language as executed. In
26 addition, throughout this chapter, the revised law
27 substitutes "impose" for "levy" because, in context,
28 the terms are synonymous and "impose" is more commonly
29 used.

30 Revised Law

31 Sec. 1056.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
32 The board shall manage, control, and administer the hospital or
33 hospital system. (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

34 Source Law

35 Sec. 3. . . . The duties of the Board of the
36 Hospital Managers shall be to manage, control and
37 administer the hospital or hospital system of the
38 Hospital District. . . .

1 Revised Law

2 Sec. 1056.104. RULES. The board may adopt rules for the
3 operation of the hospital or hospital system, including bylaws
4 governing board proceedings. (Acts 60th Leg., R.S., Ch. 674, Sec. 3
5 (part).)

6 Source Law

7 Sec. 3. . . . The Board of Hospital Managers
8 shall have the power and authority . . . to promulgate
9 rules and regulations for the operation of the
10 hospital or hospital system, including the authority
11 to adopt and amend bylaws governing the proceedings of
12 the Board.
13 . . .

14 Revisor's Note

15 (1) Section 3, Chapter 674, Acts of the 60th
16 Legislature, Regular Session, 1967, provides that the
17 board may "promulgate rules and regulations" for the
18 district. The revised law substitutes "adopt" for
19 "promulgate" because the terms are synonymous and the
20 former is more commonly used. The revised law omits
21 "regulations" because under Section 311.005(5),
22 Government Code (Code Construction Act), a rule is
23 defined to include a regulation.

24 (2) Section 3, Chapter 674, Acts of the 60th
25 Legislature, Regular Session, 1967, authorizes the
26 board to "adopt and amend" bylaws governing board
27 proceedings. The revised law omits the provision
28 authorizing the board to amend bylaws because the
29 authority to adopt bylaws implies the authority to
30 amend bylaws.

31 Revised Law

32 Sec. 1056.105. PURCHASING AND ACCOUNTING PROCEDURES. (a)
33 The board may prescribe:

34 (1) the method and manner of making purchases and
35 expenditures by and for the district; and

36 (2) all accounting and control procedures.

37 (b) The district shall pay the salaries and expenses

1 necessarily incurred by the board or by an officer or agent of the
2 board in performing a duty prescribed or required by this section or
3 Section 1056.152.

4 (c) An officer, employee, or agent of the board shall
5 perform any function or service prescribed by the board under this
6 section or Section 1056.152. (Acts 60th Leg., R.S., Ch. 674, Sec. 4
7 (part).)

8 Source Law

9 Sec. 4. The Board of Hospital Managers shall
10 have the power to prescribe the method and manner of
11 making purchases and expenditures by and for such
12 Hospital District and also shall be authorized to
13 prescribe all accounting and control procedures. . . .
14 The Hospital District shall pay all salaries and
15 expenses necessarily incurred by the Board or any of
16 its officers and agents in performing any duties which
17 may be prescribed or required under this Section. It
18 shall be the duty of any officer, employee or agent of
19 the Board to perform and carry out any function or
20 service prescribed by the Board hereunder.

21 Revised Law

22 Sec. 1056.106. 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.

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

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

34 (1) pay in advance or provide a bond for the issuance
35 of a temporary restraining order or a temporary injunction; or

36 (2) provide a bond for costs or a supersedeas bond on
37 an appeal or petition for review. (Acts 60th Leg., R.S., Ch. 674,
38 Sec. 7.)

39 Source Law

40 Sec. 7. The Hospital District organized in

1 pursuance of this Act shall have the right and power of
2 eminent domain for the purpose of acquiring by
3 condemnation any and all property of any kind of
4 character, real, personal or mixed, or any interest
5 therein, including outright ownership of such property
6 in fee simple absolute, within the boundaries of the
7 said district, necessary or convenient to the exercise
8 of the rights, powers, privileges, and functions
9 conferred upon it by this Act; in the manner provided
10 by general law with respect to condemnation by
11 counties; provided that the said District shall not be
12 required to make deposits in the registry of the trial
13 court of the sum required by paragraph numbered 2 in
14 Article 3268, Revised Civil Statutes of Texas, 1925,
15 or to make the bond required therein. In condemnation
16 proceedings being prosecuted by the said District, the
17 District shall not be required to pay in advance or
18 give any bond otherwise required for the issuance of a
19 temporary restraining order or a temporary injunction
20 relating to a condemnation proceeding, nor to give
21 bond for costs or for supersedeas or any appeal or writ
22 of error proceeding to any Court of Civil Appeals, or
23 to the Supreme Court.

24 Revisor's Note

25 (1) Section 7, Chapter 674, Acts of the 60th
26 Legislature, Regular Session, 1967, provides that the
27 district has the "right and power of eminent domain for
28 the purpose of acquiring [property] by condemnation."
29 The revised law substitutes for the quoted language
30 "may exercise the power of eminent domain to acquire
31 [property]" because the phrases have the same meaning,
32 and the latter phrase is consistent with modern usage
33 in laws relating to eminent domain.

34 (2) Section 7, Chapter 674, Acts of the 60th
35 Legislature, Regular Session, 1967, provides that the
36 district must exercise the power of eminent domain in
37 the manner provided by "general law with respect to
38 condemnation by counties." The revised law
39 substitutes for the quoted language a reference to
40 Chapter 21, Property Code, because that is the general
41 law governing eminent domain for governmental
42 entities, including counties.

43 (3) Section 7, Chapter 674, Acts of the 60th
44 Legislature, Regular Session, 1967, refers to
45 "paragraph numbered 2 in Article 3268, Revised Civil
46 Statutes of Texas, 1925." That statute was codified in

1 1983 as Section 21.021(a), Property Code. The revised
2 law is drafted accordingly.

3 (4) Section 7, Chapter 674, Acts of the 60th
4 Legislature, Regular Session, 1967, provides that the
5 district is not required "to give bond for costs or for
6 supersedeas or any appeal." The revised law
7 substitutes "on any appeal" for "or any appeal"
8 because it is clear from the context that "or" is a
9 typographical error and that the legislature intended
10 to use the phrase "on any appeal."

11 (5) Section 7, Chapter 674, Acts of the 60th
12 Legislature, Regular Session, 1967, provides that the
13 district is not required to provide a bond on an appeal
14 or "writ of error proceeding" to "any Court of Civil
15 Appeals, or to the Supreme Court." The revised law
16 substitutes "petition for review" for "writ of error"
17 because, effective September 1, 1997, the Texas
18 Supreme Court replaced the writ of error procedure
19 with the petition for review procedure. See Rule 53.1,
20 Rules of Appellate Procedure. The revised law omits
21 the references to the court of civil appeals (now the
22 court of appeals) and the supreme court. The revised
23 law omits the references because the courts of appeals
24 and the supreme court are the only courts to which the
25 district may appeal or with which the district may file
26 a petition for review.

27 Revised Law

28 Sec. 1056.107. GIFTS AND ENDOWMENTS. The board may accept
29 for the district a gift or endowment to be held in trust and
30 administered by the board for the purposes and under the
31 directions, limitations, or other provisions prescribed in writing
32 by the donor that are not inconsistent with the proper management
33 and objectives of the district. (Acts 60th Leg., R.S., Ch. 674,
34 Sec. 16.)

1 Source Law

2 Sec. 16. The Board of Hospital Managers of the
3 Hospital District is authorized on behalf of said
4 Hospital District to accept donations, gifts, and
5 endowments for the Hospital District, to be held in
6 trust and administered by the Board of Hospital
7 Managers for such purposes and under such directions,
8 limitations, and provisions as may be prescribed in
9 writing by donor, not inconsistent with proper
10 management and objects of the Hospital District.

11 Revisor's Note

12 Section 16, Chapter 674, Acts of the 60th
13 Legislature, Regular Session, 1967, refers to
14 "donations" and "gifts." The revised law omits the
15 reference to "donations" because "donations" is
16 included in the meaning of "gifts."

17 Revised Law

18 Sec. 1056.108. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
19 CARE AND TREATMENT. The board may contract with:

20 (1) any county for the care and treatment of a sick or
21 injured person of that county; and

22 (2) this state or a federal agency for the care and
23 treatment of a sick or injured person for whom the state or agency
24 is responsible. (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

25 Source Law

26 Sec. 3. . . .
27 The Board of Hospital Managers shall be
28 authorized to contract with any county for care and
29 treatment of the county's sick, diseased and injured
30 persons, and with the state and agencies of the Federal
31 Government for the care and treatment of such persons
32 for whom the state and such agencies of the Federal
33 Government are responsible. . . .

34 Revisor's Note

35 Section 3, Chapter 674, Acts of the 60th
36 Legislature, Regular Session, 1967, refers to the
37 treatment of "sick, diseased and injured persons."
38 The revised law omits the reference to "diseased"
39 because "diseased" is included in the meaning of
40 "sick."

41 Revised Law

42 Sec. 1056.109. PAYMENT FOR TREATMENT; PROCEDURES. (a)

1 When a patient from Martin County is admitted to a district
2 facility, the district administrator shall have an inquiry made
3 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 in the hospital, the amount of the costs that
10 cannot be paid becomes a charge against the district.

11 (c) If the district administrator determines that the
12 patient or those relatives are liable for all or part of the costs
13 of the patient's care and treatment, the patient or those relatives
14 shall be ordered to pay to the district a specified amount each week
15 for the patient's care. The amount ordered must be proportionate to
16 the person's financial ability and may not exceed the usual and
17 customary charges for services rendered.

18 (d) The district administrator may collect the amount from
19 the estate of the patient, or the patient's relatives who are
20 legally liable for the patient's support, in the manner provided by
21 law for the collection of expenses of the last illness of a deceased
22 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.

28 (f) Either party to the dispute may appeal the order to the
29 district court. (Acts 60th Leg., R.S., Ch. 674, Sec. 12.)

30 Source Law

31 Sec. 12. Whenever a patient has been admitted to
32 the facilities of the Hospital District from the
33 county, the Administrator shall cause inquiry to be
34 made as to his circumstances, and of the relatives of
35 such patient legally liable for his support. If he
36 finds that such patient or said relatives are liable to
37 pay for his care and treatment in whole or part, an
38 order shall be made directing such patient, or said

1 relatives, to pay to the Hospital District for the care
2 of such patient a specified sum per week, in proportion
3 to their financial ability, but such sum shall not
4 exceed the usual and customary charges for services
5 rendered. The Administrator shall have power and
6 authority to collect such sum from the estate of the
7 patient, or his relatives legally liable for his
8 support, in the manner provided by law for the
9 collection of expenses of the last illness of a
10 deceased person. If the Administrator finds that such
11 patient or said relatives are not able to pay, either
12 in whole or in part, for his care and treatment in such
13 hospital, the same shall become a charge upon the
14 Hospital District. Should there be a dispute as to the
15 ability to pay, or doubt in the mind of the
16 Administrator, the County Court shall hear and
17 determine same, after calling witnesses, and shall
18 make such order as may be proper, from which appeal
19 shall lie to the District Court by either party to the
20 dispute.

21 Revised Law

22 Sec. 1056.110. AUTHORITY TO SUE AND BE SUED. The board may
23 sue and be sued. (Acts 60th Leg., R.S., Ch. 674, Sec. 3 (part).)

24 Source Law

25 Sec. 3. . . . [The Board of Hospital Managers
26 shall have the power and authority] to sue and be sued
27 and

28 Revisor's Note
29 (End of Subchapter)

30 Section 9, Chapter 674, Acts of the 60th
31 Legislature, Regular Session, 1967, provides
32 authority for the "State Board of Health" to inspect
33 hospital district facilities and records. The revised
34 law omits Section 9 because various state laws,
35 including Chapters 222 and 241, Health and Safety
36 Code, provide the necessary inspection authority to
37 appropriate state agencies. The omitted law reads:

38 Sec. 9. The Hospital District
39 established or maintained under the
40 provisions of this Act shall be subject to
41 inspection by any duly authorized
42 representative of the State Board of
43 Health, and resident officers shall admit
44 such representatives into all Hospital
45 District facilities and give them access on
46 demand to all records, reports, books,
47 papers, and accounts pertaining to the
48 Hospital District.

49 [Sections 1056.111-1056.150 reserved for expansion]

50 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

1 Revised Law

2 Sec. 1056.151. 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. (Acts 60th
5 Leg., R.S., Ch. 674, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . Under the direction of the Board
8 of Hospital Managers, he [the administrator] shall
9 prepare an annual budget which shall be approved by the
10 Board of Hospital Managers.

11 Revised Law

12 Sec. 1056.152. ANNUAL AUDIT. As soon as practicable after
13 the close of each fiscal year, the board shall have an audit made of
14 the district's books and records for the fiscal year by an
15 independent public accountant. (Acts 60th Leg., R.S., Ch. 674,
16 Sec. 4 (part).)

17 Source Law

18 Sec. 4. . . . The Board shall cause an annual
19 audit to be made of the books and records of the
20 District as soon as practicable after the close of each
21 fiscal year, such audit to cover such fiscal year, and
22 to be made by an independent public accountant. . . .

23 Revised Law

24 Sec. 1056.153. FINANCIAL REPORT. (a) As soon as
25 practicable after the close of each fiscal year, the district
26 administrator shall prepare a report that includes:

27 (1) a complete sworn statement of:

28 (A) all money and choses in action received by
29 the administrator; and

30 (B) how the money and choses in action were
31 disbursed or otherwise disposed; and

32 (2) the details of district operation during the
33 preceding fiscal year.

34 (b) The district administrator shall make the report to:

35 (1) the board; and

36 (2) the Martin County Commissioners Court. (Acts 60th
37 Leg., R.S., Ch. 674, Sec. 6 (part).)

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Source Law

Sec. 6. Once each year, as soon as practicable after the close of the fiscal year, the Administrator of the Hospital District shall report to the Board of Hospital Managers and the Commissioners Court, a full sworn statement of all moneys and choses in action received by such Administrator and how disbursed or otherwise disposed of. Such report shall show in detail the operations of the District for the year. . . .

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Revised Law

Sec. 1056.154. DEPOSITORY. (a) Every two years, the board shall select one or more depositories for the district in the manner provided for securing county funds.
(b) All income received by the district shall be deposited with a district depository. (Acts 60th Leg., R.S., Ch. 674, Secs. 8, 13 (part).)

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Source Law

Sec. 8. Within thirty (30) days after the appointment of the Board of Hospital Managers of the District and each two years thereafter the Board shall select a depository or depositories for such District in the manner now provided for the security of county funds.

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Sec. 13. . . . All other income of the Hospital District shall be deposited in like manner with the District depository or depositories.
. . .

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Revisor's Note

Section 8, Chapter 674, Acts of the 60th Legislature, Regular Session, 1967, requires the board to select a depository or depositories "[w]ithin thirty (30) days after the appointment of the Board of Hospital Managers of the District." The revised law omits the quoted language as executed.

[Sections 1056.155-1056.200 reserved for expansion]

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SUBCHAPTER E. BONDS

Revised Law

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Sec. 1056.201. BONDS. The board may issue and sell bonds as district obligations for any purpose relating to:
(1) the purchase, construction, acquisition, repair, or renovation of buildings or improvements; and

1 (2) equipping buildings and improvements for hospital
2 purposes. (Acts 60th Leg., R.S., Ch. 674, Sec. 14 (part).)

3 Source Law

4 Sec. 14. The Board of Hospital Managers shall
5 have the power and authority to issue and sell, as the
6 obligations of such Hospital District, bonds for the
7 purchase, construction, acquisition, repair or
8 renovation of buildings and improvements and equipping
9 same, for hospital purposes and for any or all of such
10 purposes;

11 Revised Law

12 Sec. 1056.202. TAX TO PAY BONDS. (a) An ad valorem tax
13 shall be imposed at a rate sufficient to create an interest and
14 sinking fund to pay the principal of and interest on bonds issued
15 under Section 1056.201 as the bonds mature.

16 (b) The tax required by this section together with any other
17 ad valorem tax imposed for the district may not in any year exceed
18 75 cents on each \$100 valuation of taxable property in the district.
19 (Acts 60th Leg., R.S., Ch. 674, Sec. 14 (part).)

20 Source Law

21 Sec. 14. . . . provided that a sufficient tax
22 shall be levied to create an interest and sinking fund
23 to pay the interest and principal as same matures and
24 that said tax, together with any other taxes levied for
25 said District, shall not exceed Seventy-five Cents
26 (75¢) on the One Hundred Dollars (\$100.00) valuation
27 of taxable property in any one year. . . .

28 Revisor's Note

29 Section 14, Chapter 674, Acts of the 60th
30 Legislature, Regular Session, 1967, requires the levy
31 of a tax to pay the principal of and interest on bonds.
32 The revised law specifies that the tax is an "ad
33 valorem" tax because it is clear from the source law
34 that the tax is a property tax and "ad valorem" is the
35 term most commonly used to refer to a property tax.

36 Revised Law

37 Sec. 1056.203. BOND ELECTION. (a) The district may issue
38 bonds only if the bonds are authorized by a majority of the district
39 voters voting at an election held in accordance with the provisions
40 of Chapter 1251, Government Code, relating to county bonds.

1 (b) The board shall call the election. (Acts 60th Leg.,
2 R.S., Ch. 674, Sec. 14 (part).)

3 Source Law

4 Sec. 14. . . . No bonds shall be issued by such
5 Hospital District . . . until authorized by a majority
6 vote of the legally qualified property taxpaying
7 voters residing in such Hospital District voting at an
8 election called and held in accordance with the
9 provisions of Chapter 1, Title 22, of the Revised Civil
10 Statutes of the State of Texas (1925), as amended,
11 relating to county bonds. Such election shall be
12 called by the Board of Hospital Managers, and

13 Revisor's Note

14 (1) Section 14, Chapter 674, Acts of the 60th
15 Legislature, Regular Session, 1967, refers to the
16 "legally qualified" voters of the district. The
17 revised law omits the quoted language as unnecessary
18 in this context because Chapter 11, Election Code,
19 governs eligibility to vote in an election in this
20 state and allows only "legally qualified" voters who
21 are residents of the territory covered by the election
22 to vote in an election.

23 (2) Section 14, Chapter 674, Acts of the 60th
24 Legislature, Regular Session, 1967, refers to
25 "property taxpaying" voters. The revised law omits
26 the quoted language because in Hill v. Stone, 421 U.S.
27 289, 95 S. Ct. 1637 (1975), the United States Supreme
28 Court determined that property ownership as a
29 qualification for voting is an unconstitutional denial
30 of equal protection.

31 (3) Section 14, Chapter 674, Acts of the 60th
32 Legislature, Regular Session, 1967, refers to an
33 election held as provided by "Chapter 1, Title 22, of
34 the Revised Civil Statutes of the State of Texas
35 (1925), as amended." The election provisions of
36 Chapter 1, Title 22, Revised Statutes, are revised as
37 Chapter 1251, Government Code, and the revised law is
38 drafted accordingly. The revised law omits the

1 reference to "as amended" because under Section
2 311.027, Government Code (Code Construction Act), a
3 reference to a statute applies to all reenactments,
4 revisions, or amendments of that statute unless
5 expressly provided otherwise.

6 (4) Section 14, Chapter 674, Acts of the 60th
7 Legislature, Regular Session, 1967, requires the board
8 to designate polling places for a bond election and
9 name the persons conducting the election. The revised
10 law omits the provision as superseded by the 1985
11 enactment of the Election Code, applicable to the
12 district under Section 1.002, Election Code. Chapter
13 43, Election Code, governs the location of polling
14 places, and Chapter 32, Election Code, governs the
15 selection of judges and clerks. The omitted law reads:

16 Sec. 14. . . . such Board shall
17 designate the places for holding said
18 election and shall name the persons who
19 shall conduct said election, in the manner
20 provided by general law. . . .

21 (5) Section 14, Chapter 674, Acts of the 60th
22 Legislature, Regular Session, 1967, provides that a
23 bond election held at the election to create the
24 district must be held as provided by Section 2. As
25 explained in the revisor's note to the end of
26 Subchapter A, the relevant provisions of Section 2,
27 Chapter 674, are executed. The revised law therefore
28 omits the provision. The omitted law reads:

29 Sec. 14. . . . In the event the
30 initial bonds are voted at an election
31 called by the Commissioners Court at the
32 time of the election for the creation of the
33 District, such initial election shall be
34 governed by the provisions of Section 2
35 hereof.
36 . . .

37 Revised Law

38 Sec. 1056.204. REFUNDING BONDS. (a) Refunding bonds may be
39 issued without an election and in the manner provided by this
40 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. 674, Sec. 14
8 (part).)

9 Source Law

10 Sec. 14. . . . [No bonds shall be issued by such
11 Hospital District] (except refunding bonds)

12 In the manner hereinabove provided, the bonds of
13 such Hospital District may, without the necessity of
14 any election therefor, be issued for the purpose of
15 refunding or paying off any bonded indebtedness
16 theretofore assumed by the Hospital District and any
17 bonds theretofore issued by the Hospital District;
18 such refunding bonds may be sold and the proceeds
19 thereof applied to the payment of any such outstanding
20 bonds or may be exchanged in whole or in part for not
21 less than a like amount of said outstanding bonds and
22 interest matured thereon, but unpaid;

23 Revisor's Note

24 Section 14, Chapter 674, Acts of the 60th
25 Legislature, Regular Session, 1967, provides that
26 refunding bonds may not bear interest at a rate that,
27 when calculated in accordance with recognized standard
28 bond interest cost tables, exceeds the average annual
29 interest cost of the bonds to be refunded unless the
30 total interest cost on the refunding bonds is less than
31 the total interest cost on the bonds to be refunded.
32 Section 14 also provides that any premium required to
33 be paid on the bonds to be refunded before the bonds'
34 maturity date is to be used in computing the total
35 interest cost of the refunding bonds. The revised law
36 omits that provision as impliedly repealed by Section
37 2(a), Chapter 3, Acts of the 61st Legislature, Regular
38 Session, 1969 (Article 717k-2, Vernon's Texas Civil
39 Statutes), which was revised in 1999 as Section
40 1204.006(a), Government Code. Section 1204.006(a),

1 Government Code, permits a public agency to issue
2 bonds at a net effective interest rate not to exceed 15
3 percent. Section 1204.006(a) applies to district
4 bonds by application of Section 1204.001, Government
5 Code. The omitted law reads:

6 Sec. 14. . . . provided the average
7 interest cost per annum on the refunding
8 bonds, computed in accordance with the
9 recognized standard bond interest cost
10 tables, shall not exceed the average
11 interest cost per annum so computed upon the
12 bonds to be discharged out of the proceeds
13 of the refunding bonds, unless the total
14 interest cost on the refunding bonds,
15 computed to their respective maturity
16 dates, is less than the total interest cost
17 so computed on the bonds to be discharged
18 out of such proceeds. In the foregoing
19 computations, any premium or premiums
20 required to be paid upon the bonds to be
21 refunded as a condition to the payment in
22 advance of their stated maturity dates
23 shall be taken into account as an addition
24 to the net interest cost to the Hospital
25 District of the refunding bonds.

26 Revised Law

27 Sec. 1056.205. EXECUTION OF BONDS. (a) The board's
28 presiding officer shall execute district bonds in the district's
29 name.

30 (b) The board secretary shall countersign the bonds. (Acts
31 60th Leg., R.S., Ch. 674, Sec. 14 (part).)

32 Source Law

33 Sec. 14. . . . Such bonds shall be executed in
34 the name of the Hospital District and on its behalf by
35 the Chairman of the Board of Hospital Managers, and
36 countersigned by the Secretary of the Board, and
37

38 Revisor's Note

39 Section 14, Chapter 674, Acts of the 60th
40 Legislature, Regular Session, 1967, provides that
41 district bonds are subject to the law governing
42 counties that relates to bond approval by the attorney
43 general and registration of the bonds by the
44 comptroller. The revised law omits those provisions
45 as superseded by Chapter 1202, Government Code
46 (enacted as Article 3, Chapter 53, Acts of the 70th

1 Legislature, 2nd Called Session, 1987). Section
2 1202.003(a), Government Code, requires bonds to be
3 submitted to the attorney general. Section
4 1202.003(b), Government Code, provides for approval of
5 the bonds by the attorney general and requires the
6 attorney general to submit the approved bonds to the
7 comptroller for registration. Section 1202.005,
8 Government Code, requires registration of the bonds by
9 the comptroller. Chapter 1202, Government Code,
10 applies to district bonds by application of Section
11 1202.001, Government Code. The omitted law reads:

12 Sec. 14. . . . [Such bonds] . . .
13 shall be subject to the same requirements in
14 the manner of approval thereof by the
15 Attorney General of the State of Texas and
16 registration thereof by the Comptroller of
17 Public Accounts of the State of Texas as are
18 by law provided for such approval and
19 registration of bonds of the county; and the
20 approval of such bonds by the Attorney
21 General shall have the same force and effect
22 as is by law given to his approval of bonds
23 of the county. . . .

24 Revisor's Note
25 (End of Subchapter)

26 (1) Section 17, Chapter 674, Acts of the 60th
27 Legislature, Regular Session, 1967, provides that
28 district bonds are authorized investments for certain
29 entities. The revised law omits the provision as
30 unnecessary. As to several of the entities listed,
31 Section 17 has been superseded and impliedly repealed.
32 Investments in securities by banks are regulated by
33 Section 34.101, Finance Code (enacted in 1995 as
34 Section 5.101, Texas Banking Act (Article 342-5.101,
35 Vernon's Texas Civil Statutes)). Investments in
36 securities by savings banks are regulated by Section
37 93.001(c)(10), Finance Code (enacted in 1993 as
38 Section 7.15(10), Texas Savings Bank Act (Article
39 489e, Vernon's Texas Civil Statutes)). Investments in
40 securities by trust companies are regulated by Section

1 184.101, Finance Code (enacted in 1997 as Section
2 5.101, Texas Trust Company Act (Article 342a-5.101,
3 Vernon's Texas Civil Statutes)). Investments in
4 securities by building and loan associations (now
5 called savings and loan associations) are regulated by
6 Sections 63.002 and 64.001, Finance Code. As to the
7 remaining entities listed, Section 17 is superseded by
8 Section 1201.041, Government Code, enacted as Section
9 9, Bond Procedures Act of 1981 (Article 717k-6,
10 Vernon's Texas Civil Statutes). Section 1201.041,
11 Government Code, applies to district bonds by
12 application of Section 1201.002, Government Code. The
13 omitted law reads:

14 Sec. 17. All bonds (including
15 refunding bonds) issued by or assumed by the
16 District authorized to be established and
17 created under the provisions of this Act
18 shall be and are declared to be legal and
19 authorized investments for banks, savings
20 banks, trust companies, fiduciaries,
21 building and loan associations, insurance
22 companies, trustees, and for sinking funds
23 of cities, towns, villages, counties,
24 school districts, or other political
25 corporations or subdivisions of the State
26 of Texas; and

27 (2) Section 17, Chapter 674, Acts of the 60th
28 Legislature, Regular Session, 1967, provides that
29 district bonds may secure certain deposits. Although
30 Section 17 does not specifically mention the deposits
31 the bonds are eligible to secure, the only deposits
32 they could secure would be deposits of public funds of
33 this state or political subdivisions of this state. As
34 such, the revised law omits the provisions as
35 impliedly repealed by Section 404.0221, Government
36 Code (enacted in 1995), which lists eligible
37 collateral for deposits of state funds by the
38 comptroller, and by Chapter 2257, Government Code
39 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
40 Statutes), which governs eligible collateral for

1 deposits of funds of other public agencies, including
2 political subdivisions. The omitted law reads:

3 Sec. 17. . . . such bonds shall be
4 lawful and sufficient security for deposits
5 to the extent of their face value when
6 accompanied by all unmatured coupons
7 appurtenant thereto.

8 [Sections 1056.206-1056.250 reserved for expansion]

9 SUBCHAPTER F. TAXES

10 Revised Law

11 Sec. 1056.251. IMPOSITION OF AD VALOREM TAX. (a) The board
12 shall impose a tax on all property in the district subject to
13 district taxation.

14 (b) The board shall impose the tax to:

15 (1) pay the interest on and create a sinking fund for
16 bonds assumed or issued by the district for hospital purposes as
17 provided by this chapter;

18 (2) provide for the operation and maintenance of the
19 hospital or hospital system; and

20 (3) make improvements and additions to the hospital
21 system and acquire necessary sites for improvements and additions
22 by purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch.
23 674, Sec. 13 (part).)

24 Source Law

25 Sec. 13. The Board of Hospital Managers shall
26 have the power and authority, and it shall be its duty,
27 to levy on all property subject to Hospital District
28 taxation, a tax . . . of all taxable property within
29 the Hospital District for the purpose of (1) paying the
30 interest on and creating a sinking fund for bonds which
31 may have been assumed or which may be issued by the
32 Hospital District for hospital purposes as herein
33 provided; (2) providing for the operation and
34 maintenance of the hospital or hospital system; and
35 (3) making further improvements and additions to the
36 hospital system and acquiring necessary sites
37 therefor, by purchase, lease or condemnation.
38 . . .

39 Revised Law

40 Sec. 1056.252. TAX RATE. The board shall impose the tax at
41 a rate not to exceed 75 cents on each \$100 valuation of taxable
42 property in the district. (Acts 60th Leg., R.S., Ch. 674, Sec. 13
43 (part).)

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Source Law

Sec. 13. [The Board . . . shall have the power and authority, and it shall be its duty, to levy . . . a tax] of not to exceed Seventy-five Cents (75¢) on the One Hundred Dollars (\$100.00) valuation of all taxable property within the Hospital District

Revised Law

Sec. 1056.253. TAX ASSESSOR-COLLECTOR. (a) Except as provided by Subsection (b), the Martin County tax assessor-collector shall collect the taxes imposed on all property subject to district taxation.

(b) The district may appoint its own tax assessor-collector. (Acts 60th Leg., R.S., Ch. 674, Sec. 13 (part).)

Source Law

Sec. 13. . . .
The tax so levied shall be collected on all property subject to Hospital District taxation by the Assessor and Collector for the county . . . provided, however, that the Hospital District may appoint its own Assessor and Collector of Taxes and

Revisor's Note

(1) Section 13, Chapter 674, Acts of the 60th Legislature, Regular Session, 1967, refers to the levy of district taxes on county values at the time and under the conditions that county taxes are levied. The revised law omits those provisions because they were repealed by Section 6(b), Chapter 841, Acts of the 66th Legislature, Regular Session, 1979, which repealed all "general, local, and special laws" that conflicted with that act. The 1979 act enacted the Property Tax Code (Title 1, Tax Code), a comprehensive, substantive codification of property tax law. Title 1, Tax Code, provides the exclusive procedures for the appraisal of property for taxation by a taxing unit, including a hospital district. The omitted law reads:

Sec. 13. . . . [The tax so levied shall be collected] . . . on the county values, and in the same manner, and under the same conditions, as county taxes;

1 (2) Section 13, Chapter 674, Acts of the 60th
2 Legislature, Regular Session, 1967, provides that the
3 district may assess and collect taxes as provided by
4 general law for independent school districts. The
5 revised law omits that provision as unnecessary. The
6 general law relating to the assessment and collection
7 of all ad valorem taxes is Title 1, Tax Code. Section
8 1.02, Tax Code, requires all taxing units of
9 government to administer the assessment and collection
10 of taxes in conformity with that title. The omitted
11 law reads:

12 Sec. 13. . . . [the Hospital
13 District may appoint its own Assessor and
14 Collector of Taxes and] may assess and
15 collect taxes in the same manner as now
16 provided by general law for independent
17 school districts. . . .

18 (3) Section 13, Chapter 674, Acts of the 60th
19 Legislature, Regular Session, 1967, provides that the
20 county tax assessor-collector may charge a fee for the
21 assessment and collection of district taxes. The
22 revised law omits that provision because it was
23 repealed by Section 6(b), Chapter 841, Acts of the 66th
24 Legislature, Regular Session, 1979. See Revisor's
25 Note (1). Section 6.27(b), Tax Code, provides for the
26 compensation of a county tax assessor-collector
27 assessing and collecting taxes for another taxing
28 unit. The omitted law reads:

29 Sec. 13. . . . When the County
30 Assessor and Collector of Taxes is serving
31 as Assessor and Collector for the Hospital
32 District, he shall charge and deduct from
33 payments to the Hospital District the fees
34 for assessing and collecting the tax at the
35 rate of one and one-half per cent (1-1/2%)
36 of the amounts collected. Such fees shall
37 be deposited in the County's General Fund,
38 and shall be reported as fees of office of
39 the Tax Assessor and Collector.
40 . . .

41 (4) Section 13, Chapter 674, Acts of the 60th
42 Legislature, Regular Session, 1967, requires the tax

1 assessor-collector to execute a bond in an amount
2 prescribed by the board. The revised law omits the
3 provision because it was repealed by Section 6(b),
4 Chapter 841, Acts of the 66th Legislature, Regular
5 Session, 1979. See Revisor's Note (1). As to the
6 county tax assessor-collector, Section 6.29(b), Tax
7 Code, authorizes a taxing unit for which the county tax
8 assessor-collector collects a tax to require that
9 collector to post an additional bond. As to a tax
10 assessor-collector appointed by the district, Section
11 6.29(a), Tax Code, authorizes the governing body of a
12 taxing unit, including a hospital district, to require
13 the unit's tax assessor-collector to post bond without
14 limiting the amount. The omitted law reads:

15 Sec. 13. . . .

16 The Assessor and Collector of Taxes
17 shall execute a bond payable to the Hospital
18 District in an amount prescribed by the
19 Board of Hospital Managers, which shall be
20 not less than the maximum amount of money
21 which will be held by such Assessor and
22 Collector of Taxes at any one time. . . .

23 (5) Section 13, Chapter 674, Acts of the 60th
24 Legislature, Regular Session, 1967, requires the tax
25 assessor-collector to file a report each month showing
26 the tax collection amount and other tax revenue for the
27 previous month and deposit that amount in the district
28 depository. The revised law omits the provision
29 because it was repealed by Section 6(b), Chapter 841,
30 Acts of the 66th Legislature, Regular Session, 1979.
31 See Revisor's Note (1). Section 31.10, Tax Code,
32 provides for monthly reports by a tax
33 assessor-collector of a taxing unit and requires the
34 tax assessor-collector of a taxing unit to deposit
35 taxes collected in the unit's depository. The omitted
36 law reads:

37 Sec. 13. . . . A report shall be
38 filed with the Board of Hospital Managers on
39 the first day of each month by the Assessor

1 and Collector of Taxes showing the amount of
2 taxes collected during the previous month
3 and the amount so collected shall be
4 deposited by the Assessor and Collector of
5 Taxes in the District's depository or
6 depositories to the credit of the Hospital
7 District.

8 . . . The residue of tax collections,
9 after deduction of discounts and fees for
10 assessing and collecting, shall be
11 deposited in the District depository or
12 depositories; and such funds shall be
13 withdrawn only as provided herein. . . .

14 (6) Section 13, Chapter 674, Acts of the 60th
15 Legislature, Regular Session, 1967, provides that
16 interest and penalties on district taxes and discounts
17 are the same as for county taxes. The revised law
18 omits that provision because it was repealed by
19 Section 6(b), Chapter 841, Acts of the 66th
20 Legislature, Regular Session, 1979. See Revisor's
21 Note (1). Chapter 33, Tax Code, provides for the
22 assessment of penalties and interest on delinquent
23 taxes, and Section 31.05, Tax Code, provides for
24 discounts on the early payment of taxes. The omitted
25 law reads:

26 Sec. 13. . . .
27 Interest and penalties on taxes paid
28 to the Hospital District shall be the same
29 as in the case of county taxes. Discounts
30 shall be the same as for county taxes. . . .

31 Revisor's Note
32 (End of Subchapter)

33 Section 13, Chapter 674, Acts of the 60th
34 Legislature, Regular Session, 1967, provides that the
35 board may impose taxes for the entire year in which the
36 district is established. The revised law omits that
37 provision as executed. The omitted law reads:

38 Sec. 13. . . .
39 The Board of Hospital Managers shall
40 have the authority to levy the tax aforesaid
41 for the entire year in which the said
42 Hospital District is established for the
43 purpose of securing funds to initiate the
44 operation of the Hospital District, and to
45 pay the principal of and interest on all
46 bonds issued or assumed by the District.

1 Revisor's Note
2 (End of Chapter)

3 (1) Section 11, Chapter 674, Acts of the 60th
4 Legislature, Regular Session, 1967, provides that the
5 delinquent taxes owed to Martin County for the county
6 hospital system shall be paid to the district. Section
7 33.02, Tax Code, provides that a person may pay
8 delinquent taxes over a 36-month period. Section
9 33.05, Tax Code, prohibits a taxing unit from filing a
10 suit to collect a tax on real property that has been
11 delinquent more than 20 years. Therefore, the revised
12 law omits the provision as executed. The omitted law
13 reads:

14 Sec. 11. . . .
15 That portion of delinquent taxes owed
16 the county on levies for present county
17 hospital system shall continue to be paid to
18 the Hospital District by the county as
19 collected and shall be applied by the
20 Hospital District to the purposes for which
21 such taxes originally were levied.

22 (2) Section 15, Chapter 674, Acts of the 60th
23 Legislature, Regular Session, 1967, provides for the
24 transfer of certain land, buildings, equipment, and
25 funds to the district after the district is created and
26 provides for the assumption of debt by the district on
27 creation. The revised law omits the provisions as
28 executed. The omitted law reads:

29 Sec. 15. Any lands, buildings or
30 equipment that may be owned by the county,
31 and by which medical services or hospital
32 care, including geriatric care, are
33 furnished to the indigent or needy persons
34 of the county, shall become the property of
35 the Hospital District; and title thereto
36 shall vest in the Hospital District; and any
37 funds of the county which are the proceeds
38 of any bonds assumed by the District, as
39 hereby provided, shall become the Hospital
40 District; and title thereto shall vest in
41 the Hospital District; and there shall vest
42 in the Hospital District and become the
43 funds of the Hospital District the unspent
44 portions of any funds theretofore set up or
45 appropriated by budget or otherwise by the
46 county for the support and maintenance of
47 the hospital facilities for the year within
48 which the Hospital District comes into

1 existence, thereby providing such Hospital
2 District with funds with which to maintain
3 and operate such facilities for the
4 remainder of such year. All obligations
5 under contract legally incurred by the
6 county for the building of, or the support
7 and maintenance of, hospital facilities,
8 prior to the creation of the said District
9 but outstanding at the time of the creation
10 of the District, shall be assumed and
11 discharged by it without prejudice to the
12 rights of third parties, provided that the
13 management and control of the property and
14 affairs of the present hospital system
15 shall continue in the Board of Managers of
16 the present hospital system until
17 appointment and organization of the Board
18 of Hospital Managers of the Hospital
19 District, at which time the Board of
20 Managers of the present hospital system
21 shall turn over all records, property and
22 affairs of said hospital system to the Board
23 of Hospital Managers of the Hospital
24 District.

25 Any outstanding bonded indebtedness
26 incurred by the county in the acquisition of
27 such lands, buildings, and equipment, or in
28 the construction and equipping of such
29 hospital facilities, together with any
30 other outstanding bonds issued by the
31 county for hospital purposes, and the
32 proceeds of which are in whole or in part
33 still unspent, shall be assumed by the
34 Hospital District and become the obligation
35 of the Hospital District; and the county
36 shall be by the Hospital District relieved
37 of any further liability for the payment
38 thereof, or for providing interest and
39 sinking fund requirements thereon; provided
40 that nothing herein contained shall limit
41 or affect any of the rights of any of the
42 holders of such bonds against the payment of
43 the principal or interest on any of such
44 bonds in accordance with their respective
45 terms.

46 The Commissioners Court, as soon as
47 the Hospital District is created and
48 authorized at the election hereinabove
49 provided, and there have been appointed and
50 qualified to the Board of Hospital Managers
51 hereinabove provided for, shall execute and
52 deliver to the Hospital District, to wit:
53 to its said Board of Hospital Managers, an
54 instrument in writing conveying to said
55 Hospital District the hospital property,
56 including lands, buildings, and equipment;
57 and shall transfer to said Hospital
58 District the funds hereinabove provided to
59 become vested in the Hospital District,
60 upon being furnished the certificate of the
61 Chairman of the Board to the fact that a
62 depository for the District's funds has been
63 selected and has qualified; which funds
64 shall, in the hands of the Hospital District
65 and of its Board of Hospital Managers, be
66 used for all or any of the same purposes as,
67 and for no other purposes than, the purposes
68 for which the county could lawfully have
69 used the same had they remained the property

1 and funds of such county.

2 (3) Section 18, Chapter 674, Acts of the 60th
3 Legislature, Regular Session, 1967, provides that
4 public notice of enactment of the statute was provided
5 in a manner that satisfies the requirements of the
6 Texas Constitution. The revised law omits that
7 section as executed. The omitted law reads:

8 Sec. 18. The Legislature hereby
9 finds affirmatively that thirty (30) days
10 public notice was duly given in accordance
11 with the provisions of Article IX, Section
12 9, of the Constitution of the State of
13 Texas, of the intention to apply to this
14 Legislature to enact a law providing for the
15 creation, establishment, maintenance and
16 operation of the Hospital District herein
17 provided for.

18 (4) Section 19, Chapter 674, Acts of the 60th
19 Legislature, Regular Session, 1967, provides that the
20 act is severable. The revised law omits that provision
21 because it duplicates Section 311.032, Government Code
22 (Code Construction Act), which provides that a
23 provision of a statute is severable from each other
24 provision of the statute that can be given effect. The
25 omitted law reads:

26 Sec. 19. If any word, phrase,
27 sentence, Section, portion or provision of
28 this Act or the application thereof to any
29 person or circumstance shall be held to be
30 invalid or unconstitutional, the remainder
31 of this Act, and the application of such
32 word, phrase, sentence, Section, portion or
33 provision to other persons or
34 circumstances, shall not be affected
35 thereby. . . .

36 (5) Section 19, Chapter 674, Acts of the 60th
37 Legislature, Regular Session, 1967, provides that if
38 there is a conflict between the act and general laws of
39 this state, the act controls. The revised law omits
40 that provision because, under general rules of
41 statutory construction, a statute automatically has
42 the effect of repealing prior conflicting enactments
43 and is ineffective to repeal subsequent legislation.
44 Furthermore, Section 311.026, Government Code (Code

1 Construction Act), provides that if there is a
2 conflict between a general provision of law and a
3 special provision, the special provision prevails
4 unless the general provision is the later enactment
5 and the manifest intent is that the general provision
6 prevail. The omitted law reads:

7 Sec. 19. . . . In the event any of
8 the provisions hereof shall be in conflict
9 with any other law of this state, the
10 provisions of this Act shall prevail.

11 CHAPTER 1061. MIDLAND COUNTY HOSPITAL DISTRICT OF
12 MIDLAND COUNTY, TEXAS

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6 CHAPTER 1061. MIDLAND COUNTY HOSPITAL DISTRICT OF
7 MIDLAND COUNTY, TEXAS

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Revised Law

10 Sec. 1061.001. DEFINITIONS. In this chapter:

- 11 (1) "Board" means the board of directors of the
12 district.
13 (2) "Director" means a member of the board.
14 (3) "District" means the Midland County Hospital
15 District of Midland County, Texas. (New.)

16 Revisor's Note

17 The definitions of "board," "director," and
18 "district" are added to the revised law for drafting
19 convenience and to eliminate frequent, unnecessary
20 repetition of the substance of the definitions.

21 Revised Law

22 Sec. 1061.002. AUTHORITY FOR CREATION. The Midland County
23 Hospital District of Midland County, Texas, is created under the
24 authority of Section 9, Article IX, Texas Constitution. (Acts 65th
25 Leg., R.S., Ch. 112, Sec. 1.)

26 Source Law

27 Sec. 1. By authority of Article IX, Section 9 of
28 the Texas Constitution, this Act authorizes the
29 creation of the Midland County Hospital District of
30 Midland County, Texas.

31 Revised Law

32 Sec. 1061.003. ESSENTIAL PUBLIC FUNCTION. The district
33 performs an essential public function in carrying out the purposes
34 of this chapter. (Acts 65th Leg., R.S., Ch. 112, Sec. 23 (part).)

35 Source Law

36 Sec. 23. In carrying out the purposes of this

1 Act, the district will be performing an essential
2 public function, and

3 Revised Law

4 Sec. 1061.004. DISTRICT TERRITORY. The boundaries of the
5 district are coextensive with the boundaries of Midland County,
6 Texas, as the boundaries existed on May 4, 1977. (Acts 65th Leg.,
7 R.S., Ch. 112, Sec. 2.)

8 Source Law

9 Sec. 2. The boundaries of this district are
10 coterminous with the boundaries of Midland County,
11 Texas, as those boundaries are fixed on the effective
12 date of this Act.

13 Revisor's Note

14 Section 2, Chapter 112, Acts of the 65th
15 Legislature, Regular Session, 1977, refers to the
16 boundaries of Midland County "as those boundaries are
17 fixed on the effective date of this Act." The act took
18 effect on May 4, 1977, and the revised law is drafted
19 accordingly.

20 Revised Law

21 Sec. 1061.005. CORRECTION OF INVALID PROCEDURES. If a court
22 holds that any procedure under this chapter violates the
23 constitution of this state or of the United States, the district by
24 resolution may provide an alternative procedure that conforms with
25 the constitution. (Acts 65th Leg., R.S., Ch. 112, Sec. 24 (part).)

26 Source Law

27 Sec. 24. . . . [federal or state constitutions]
28 If any procedure in this Act is held by a court
29 to violate either constitution, the district has the
30 power by resolution to provide an alternative
31 procedure conformable with the constitutions. . . .

32 Revisor's Note

33 Section 24, Chapter 112, Acts of the 65th
34 Legislature, Regular Session, 1977, provides that the
35 act does not violate the federal or state constitution
36 and requires that action under the act comply with the
37 constitutions. The revised law omits the reference to
38 the federal constitution because, under the Supremacy
39 Clause of the United States Constitution (Clause 2,

1 Article VI), federal law always takes precedence over
2 a state statute. The revised law also omits the
3 reference to the Texas Constitution because the state
4 cannot modify constitutional requirements by statute.
5 The omitted law reads:

6 Sec. 24. Nothing in this Act may be
7 construed to violate any provision of the
8 federal or state constitutions, and all
9 acts done under this Act shall be in such
10 manner as will conform to them, whether
11 expressly provided or not. . . .

12 Revised Law

13 Sec. 1061.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
14 OBLIGATION. The support and maintenance of the district may not
15 become a charge against or obligation of this state. (Acts 65th
16 Leg., R.S., Ch. 112, Sec. 22 (part).)

17 Source Law

18 Sec. 22. The support and maintenance of the
19 hospital district shall never become a charge against
20 or obligation of the state

21 Revised Law

22 Sec. 1061.007. 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 65th Leg., R.S., Ch. 112, Sec. 22 (part).)

26 Source Law

27 Sec. 22. . . . nor shall any direct
28 appropriation be made by the legislature for the
29 construction, maintenance, or improvement of any of
30 the facilities of the district.

31 Revisor's Note
32 (End of Subchapter)

33 Section 4, Chapter 112, Acts of the 65th
34 Legislature, Regular Session, 1977, provides
35 procedures for holding an election on the creation of
36 the district, the imposition of an ad valorem tax, and
37 the transfer of certain existing property and
38 facilities. Section 9(b), Chapter 112, Acts of the
39 65th Legislature, Regular Session, 1977, provides for
40 the election to include a proposition authorizing the

1 district to issue bonds. Because the election to
2 create the district has already occurred, the revised
3 law omits the relevant law as executed. The omitted
4 law reads:

5 Sec. 4. (a) The district shall not
6 be created nor shall any property be
7 transferred to it nor shall any tax by it be
8 authorized until the creation and the tax
9 are approved by a majority of the qualified
10 electors of the area of the proposed
11 district voting at an election called for
12 that purpose. The election may be called by
13 a majority of the temporary directors or
14 shall be called by the temporary directors
15 upon presentation of a resolution by the
16 governing board of Midland Memorial
17 Foundation requesting the calling of such
18 election, to be held on any date chosen by
19 the temporary directors, notwithstanding
20 the provisions of the Texas Election Code,
21 and in particular, Section 9b (Article
22 2.01b, Vernon's Texas Election Code),
23 thereof. The election shall be held not
24 less than 14 nor more than 60 days from the
25 date the election is ordered. The order
26 calling the election shall specify the
27 date, place or places of holding the
28 election, the form of ballot, the presiding
29 judge and alternate presiding judge for
30 each voting place, and provide for clerks as
31 in county elections. The election order may
32 provide that the entire district shall
33 constitute one election precinct, or the
34 county election precincts within the
35 district may be combined for elections.
36 Notice of election shall be given by
37 publishing a substantial copy of the
38 election order in a newspaper or newspapers
39 which individually or collectively provide
40 general circulation in the district once a
41 week for two consecutive weeks, the first
42 publication to appear at least 14 days
43 before the date established for the
44 election. The failure of the election does
45 not operate to prohibit the calling and
46 holding of subsequent elections for the
47 same purpose; provided, no district
48 confirmation election may be held within
49 three months of any preceding election for
50 confirmation. If this district is not
51 confirmed within 60 months from the
52 effective date of this Act, this Act is
53 repealed.

54 (b) At the election there shall be
55 submitted to the electors of the area of the
56 proposed district the proposition of
57 whether the hospital district shall be
58 created with authority to have transferred
59 to it the existing hospital property,
60 equipment, and facilities of Midland
61 Memorial Hospital which are owned by
62 Midland Memorial Foundation and to levy
63 annual taxes . . . for the purpose of
64 meeting the requirements of the district's

1 bonds and its maintenance and operating
2 expenses. A majority of the qualified
3 electors voting at the election in favor of
4 the proposition is sufficient for its
5 adoption.

6 (c) The form of ballot used at the
7 election on the creation of the district
8 shall be in conformity with Section 61,
9 Texas Election Code, as amended (Article
10 6.05, Vernon's Texas Election Code), so that
11 ballots may be cast for or against the
12 following ballot proposition: "The
13 creation of the Midland County Hospital
14 District of Midland County, Texas, and
15 transfer to the district of the Midland
16 Memorial Hospital, and providing for the
17 levy of a tax not to exceed 75¢ on each \$100
18 valuation upon all taxable property
19 situated within the district."

20 (d) Within 10 days after the election
21 is held, the temporary directors of the
22 district shall convene and canvass the
23 returns of the election, and if a majority
24 of the qualified electors voting at the
25 election are in favor of the proposition,
26 the directors shall find and declare the
27 hospital district created.

28 [Sec. 9]

29 (b) A separate proposition on the
30 request of the temporary directors may be
31 submitted at the election for the
32 confirmation of the district as to whether
33 the board of directors, in the event the
34 district is created, shall be authorized to
35 issue bonds for the purposes specified in
36 this section. The proposition, if
37 submitted, shall specify the purpose for
38 which the bonds are to be issued, the
39 maximum amount of bonds then proposed to be
40 issued, and the maximum maturity date.

41 [Sections 1061.008-1061.050 reserved for expansion]

42 SUBCHAPTER B. DISTRICT ADMINISTRATION

43 Revised Law

44 Sec. 1061.051. BOARD ELECTION; TERM. (a) The board is
45 governed by a board of seven directors elected from single-member
46 districts.

47 (b) Directors serve staggered four-year terms.

48 (c) An election of directors shall be held in each
49 even-numbered year on the November uniform election date under
50 Section 41.001, Election Code. (Acts 65th Leg., R.S., Ch. 112,
51 Secs. 5(a) (part), (g) as added Acts 72nd Leg., 3rd C.S., Ch. 4.)

52 Source Law

53 Sec. 5. (a) The district is governed by a
54 seven-member board of directors elected from the
55 district at large. However, the board, on its own

1 motion, may order that the directors are to be elected
2 from single-member districts or

3 (g) The board may, on its own motion, order that
4 board members are to be elected in even-numbered years
5 to serve staggered four-year terms. Members shall be
6 elected on the November uniform election date under
7 Section 41.001, Election Code, of each even-numbered
8 year and the members shall serve four-year terms.

9 Revisor's Note

10 (1) Section 5(a), Chapter 112, Acts of the 65th
11 Legislature, Regular Session, 1977, provides that the
12 directors are elected from the district at large.
13 Section 5(a) also provides that the board of
14 directors, on its own motion, may order that the
15 directors be elected from single-member districts. On
16 December 17, 1987, the board adopted a resolution and
17 order providing that directors be elected from seven
18 single-member districts instead of from the district
19 at large, starting with the directors' election in
20 1989. The revised law is drafted accordingly.

21 (2) Section 5(f), Chapter 112, Acts of the 65th
22 Legislature, Regular Session, 1977, provides that
23 directors' elections are held on the first Saturday in
24 May of each year except as provided by Subsection (g).
25 Subsection (g) was amended by Section 1, Chapter 128,
26 Acts of the 80th Legislature, Regular Session, 2007,
27 to require elections to be held on the uniform election
28 date in November of each even-numbered year to elect
29 directors to serve staggered four-year terms.
30 Therefore, the revised law omits that part of
31 Subsection (f) as superseded by the 2007 amendment of
32 Subsection (g). The omitted law reads:

33 (f) Except as provided by Subsection
34 (g) of this section, a regular election of
35 directors shall be held on the first
36 Saturday in May of each year, and

37 (3) Section 2, Chapter 911, Acts of the 70th
38 Legislature, Regular Session, 1987, provides
39 transition language for the terms of directors in

1 office on the effective date of the act (September 1,
2 1987) and for directors elected in 1988. The revised
3 law omits the section as executed. The omitted law
4 reads:

5 Sec. 2. (a) This Act does not affect
6 the term of office for which a member of the
7 board of directors of the Midland County
8 Hospital District who is serving on the
9 effective date of this Act was elected.

10 (b) On the effective date of this
11 Act, the board of directors shall appoint
12 two additional persons to serve on the board
13 until the directors elected on May 21, 1988,
14 qualify for office.

15 (c) The appropriate number of
16 directors shall be elected at the regular
17 directors' election held on May 21, 1988, so
18 that the Midland County Hospital District
19 will have an elected seven-member board of
20 directors. Before the election, the board
21 shall determine which of the two additional
22 directors will serve a one-year term and
23 which will serve a two-year term, so that
24 three directors are elected one year and
25 four directors are elected the next year.
26 However, the board may elect to have the
27 additional directors draw lots after the
28 election to determine each director's term.

29 (4) Section 5, Chapter 128, Acts of the 80th
30 Legislature, Regular Session, 2007, provides
31 transition language for the terms of directors in
32 office on the effective date of the act (September 1,
33 2007). The revised law omits the section as executed.
34 The omitted law reads:

35 Sec. 5. The members of the board of
36 directors of the Midland County Hospital
37 District shall adjust the terms of office of
38 directors to conform to the change of the
39 election date made under Subsection (g),
40 Section 5, Chapter 112, Acts of the 65th
41 Legislature, Regular Session, 1977, as
42 amended by this Act.

43 Revised Law

44 Sec. 1061.052. ALTERNATIVE DIRECTOR ELECTION. (a) The
45 board on its own motion may order that not fewer than 50 percent of
46 the directors be elected from single-member districts with the
47 remaining directors elected from the district at large.

48 (b) Before entering an order under Subsection (a), the board
49 must:

1 (1) hold a public hearing at which registered district
2 voters may comment on whether they favor electing directors in the
3 manner proposed by the board; and

4 (2) publish notice of the hearing in a newspaper with
5 general circulation in the district not later than the seventh day
6 before the date of the hearing.

7 (c) An order adopted under Subsection (a) must be entered
8 not later than the 120th day before the date of the first election
9 at which directors are elected in the manner provided by the order.
10 Not later than the 90th day before the date of the first election at
11 which directors are elected in the manner provided by the order, the
12 board shall:

13 (1) divide the district into the appropriate number of
14 single-member districts, based on the number of directors to be
15 elected from the single-member districts and number each
16 single-member district; and

17 (2) determine by lot the order in which the positions
18 will be filled.

19 (d) The single-member districts must be:

20 (1) compact and contiguous; and

21 (2) as nearly as practicable of equal population
22 according to the most recent federal census.

23 (e) If the data from the most recent federal census
24 indicates that the population of the most populous single-member
25 district exceeds the population of the least populous single-member
26 district by more than 10 percent, the board shall redivide the
27 hospital district into the appropriate number of single-member
28 districts not later than the 90th day before the date of the first
29 regular election at which directors may officially recognize and
30 act on the census. Redivision of the district must be in the manner
31 provided for division of the district under this section.

32 (f) If the district adopts a redistricting plan under this
33 section, the board may provide in the plan for the directors in
34 office to serve at large for the remainder of their terms. The

1 single-member district and at-large positions provided by the
2 district's plan shall be filled as the staggered terms of incumbent
3 directors expire. (Acts 65th Leg., R.S., Ch. 112, Secs. 5(a)
4 (part), (b) (part).)

5 Source Law

6 (a) . . . However, the board, on its own
7 motion, may order . . . that not fewer than 50 percent
8 of the directors are to be elected from single-member
9 districts with the remaining directors to be elected
10 from the district at large. Before entering the order,
11 the board must:

12 (1) hold a public hearing at which
13 registered voters of the district are given an
14 opportunity to comment on whether or not they favor the
15 election of directors in the manner proposed by the
16 board; and

17 (2) publish notice of the hearing in a
18 newspaper that has general circulation in the
19 district, not later than the seventh day before the day
20 of the hearing.

21 (b) An order of the board adopted under
22 Subsection (a) of this section must be entered not
23 later than the 120th day before the day of the first
24 election at which all or some of the directors are
25 elected from single-member districts. If the board
26 orders that all or some of the directors shall be
27 elected from single-member districts, the board shall
28 divide the hospital district into the appropriate
29 number of single-member districts, based on the number
30 of directors that are to be elected from the districts,
31 and shall number each district. The single-member
32 districts must be compact and contiguous and must be as
33 nearly as practicable of equal population according to
34 the most recent federal census. Districts must be
35 drawn not later than the 90th day before the day of the
36 first election of directors from single-member
37 districts. Residents of each single-member district
38 are entitled to elect one director to the board. . . .
39 Not later than the 90th day before the day of the first
40 regular election at which directors may officially
41 recognize and act on the most recent federal census,
42 the board shall redivide the district into the
43 appropriate number of single-member districts if the
44 census data indicates that the population of the most
45 populous single-member district exceeds the
46 population of the least populous district by more than
47 10 percent. Redivision of the district shall be in the
48 manner provided for division of the district under
49 this subsection. If the hospital district adopts a
50 redistricting plan under this subsection, the board
51 may provide in the plan for the directors then in
52 office to serve at large for the remainder of their
53 terms. The single-member district and at-large
54 positions provided by the district's plan shall be
55 filled as the staggered terms of incumbent directors
56 expire. Not later than the 90th day before the first
57 election from single-member districts, the board shall
58 determine by lot the order in which the positions will
59 be filled.

60 Revisor's Note

61 Section 5(b), Chapter 112, Acts of the 65th

1 Legislature, Regular Session, 1977, provides that
2 "[r]esidents of each single-member district are
3 entitled to elect one director to the board." The
4 revised law omits the quoted language because Chapter
5 11, Election Code, governs eligibility to vote in an
6 election in this state and allows only qualified
7 voters who are residents of the territory covered by an
8 election to vote in the election.

9 Revised Law

10 Sec. 1061.053. 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
13 Midland County. (Acts 65th Leg., R.S., Ch. 112, Sec. 5(f) (part).)

14 Source Law

15 (f) . . . notice of the election shall be
16 published in a newspaper of general circulation in the
17 county one time at least 10 days prior to the date of
18 election. . . .

19 Revisor's Note

20 Section 5(f), Chapter 112, Acts of the 65th
21 Legislature, Regular Session, 1977, requires notice of
22 a director's election to be published in "the county."
23 Throughout this chapter, the revised law substitutes
24 "Midland County" for the quoted language because
25 Midland County is the county in which the district is
26 located.

27 Revised Law

28 Sec. 1061.054. QUALIFICATIONS FOR OFFICE. (a) A person may
29 not be elected or appointed as a director unless the person is:

30 (1) a resident of the district; and

31 (2) more than 18 years of age when elected or
32 appointed.

33 (b) A person who is elected from a single-member district or
34 is appointed to fill a vacancy for a single-member district must
35 reside in that single-member district. (Acts 65th Leg., R.S., Ch.
36 112, Secs. 5(b) (part), (d).)

1 members; and

2 (2) a secretary, who need not be a director.

3 (b) Each officer of the board serves for a term of one year.

4 (c) The board by vote shall fill a vacancy in a board office
5 for the unexpired term. (Acts 65th Leg., R.S., Ch. 112, Sec. 5(e)
6 (part).)

7 Source Law

8 (e) The board of directors shall organize by
9 electing one of their number as president, one of their
10 number as vice-president, and a secretary who need not
11 be a director. Officers are elected for a term of one
12 year, and vacancies shall be filled for the unexpired
13 term by vote of the board. . . .

14 Revised Law

15 Sec. 1061.057. 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 65th Leg., R.S., Ch.
21 112, Sec. 5(g).)

22 Source Law

23 (g) Members of the board of directors and
24 officers shall serve without compensation but may be
25 reimbursed for actual expenses incurred in the
26 performance of their official duties on the approval
27 of those expenses by the board of directors and
28 reported in the minute book of the district or other
29 records of the district.

30 Revisor's Note

31 Section 5(g), Chapter 112, Acts of the 65th
32 Legislature, Regular Session, 1977, requires that
33 approved expenses be reported in the "minute book of
34 the district or other records of the district." The
35 revised law omits the reference to the "minute book of
36 the district" because the minute book is a district
37 record.

38 Revised Law

39 Sec. 1061.058. VOTING REQUIREMENT. A concurrence of four
40 directors is sufficient in any matter relating to district

1 business. (Acts 65th Leg., R.S., Ch. 112, Sec. 5(e) (part).)

2 Source Law

3 (e) . . . Members of the board of directors]
4 . . . a concurrence of four is sufficient in all
5 matters pertaining to the business of the district.
6 . . .

7 Revisor's Note

8 Section 5(e), Chapter 112, Acts of the 65th
9 Legislature, Regular Session, 1977, provides that four
10 directors constitute a quorum. The revised law omits
11 this provision because it duplicates Section 311.013,
12 Government Code (Code Construction Act), which
13 provides that a quorum of a public body is a majority
14 of the number of members fixed by statute. The omitted
15 law reads:

16 (e) . . . Any four members of the
17 board of directors constitute a quorum, and
18

19 Revised Law

20 Sec. 1061.059. DISTRICT ADMINISTRATOR; ASSISTANT
21 ADMINISTRATOR. (a) The board may appoint a qualified person as
22 district administrator.

23 (b) The board may appoint assistant administrators.

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
28 administrator shall execute a bond payable to the district in an
29 amount set by the board of not less than \$10,000 that:

30 (1) is conditioned on the administrator performing the
31 administrator's duties; and

32 (2) contains other conditions the board may require.

33 (Acts 65th Leg., R.S., Ch. 112, Sec. 6 (part).)

34 Source Law

35 Sec. 6. . . . The board of directors may appoint
36 a qualified person as the administrator of the
37 hospital district and may in its discretion appoint
38 assistants to the administrator. The administrator
39 and assistant administrator, if any, serve at the will

1 of the board and receive compensation fixed by the
2 board. The administrator shall on assuming his duties
3 execute a bond payable to the hospital district in an
4 amount set by the board of directors, not less than
5 \$10,000, conditioned on performance of the duties
6 required of him and containing other conditions as the
7 board may require. . . .

8 Revised Law

9 Sec. 1061.060. 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 affairs of the district. (Acts 65th
15 Leg., R.S., Ch. 112, Sec. 6 (part).)

16 Source Law

17 Sec. 6. . . . The administrator shall supervise
18 all the work and activities of the district and shall
19 have general direction of the affairs of the district,
20 subject to the limitations prescribed by the board.
21 . . .

22 Revised Law

23 Sec. 1061.061. APPOINTMENT AND DISMISSAL OF STAFF AND
24 EMPLOYEES; CONTRACTS. (a) The board may appoint to or dismiss from
25 the staff any doctors the board considers necessary for the
26 efficient operation of the district and may make temporary
27 appointments as necessary.

28 (b) The district may employ fiscal agents, accountants,
29 architects, and attorneys the board considers proper.

30 (c) The board may delegate to the district administrator the
31 authority to hire or contract with technicians, nurses, and other
32 persons or district employees as the administrator considers
33 advisable. (Acts 65th Leg., R.S., Ch. 112, Secs. 6 (part), 18.)

34 Source Law

35 Sec. 6. . . . The board of directors shall have
36 authority to appoint and dismiss from the staff such
37 doctors as it deems necessary for the efficient
38 operation of the district and may provide for
39 temporary appointment to the staff if warranted by
40 circumstances. The board may delegate to the
41 administrator the authority to employ or contract with
42 technicians, nurses, and other persons or employees of
43 the district as deemed advisable by the
44 administrator. . . .

1 Sec. 18. The district may employ fiscal agents,
2 accountants, architects, and attorneys as the board
3 considers proper.

4 Revised Law

5 Sec. 1061.062. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

6 The board may spend district money, enter into agreements, and take
7 other necessary action to recruit or otherwise obtain physicians
8 and other personnel for the district's medical staff or for
9 employment with the hospital or hospital system, including medical
10 facilities or other health facilities owned or operated by the
11 district. The actions may include:

- 12 (1) advertising and marketing;
- 13 (2) paying recruitment expenses;
- 14 (3) paying travel and relocation expenses; and
- 15 (4) providing a subsidy or scholarship. (Acts 65th

16 Leg., R.S., Ch. 112, Sec. 6 (part).)

17 Source Law

18 Sec. 6. . . . The board may enter into
19 agreements, spend district funds, and take other
20 necessary action to recruit or otherwise obtain
21 physicians and other personnel for the district's
22 medical staff or for employment with the hospital or
23 hospital system, including medical facilities or other
24 health facilities owned or operated by the district.
25 The actions may include advertising and marketing,
26 paying recruitment expenses, paying travel and
27 relocation expenses, and providing subsidies and
28 scholarships. . . .

29 Revised Law

30 Sec. 1061.063. SENIORITY; RETIREMENT BENEFITS. (a) The

31 board may:

- 32 (1) adopt rules relating to the seniority of district
33 employees; and
- 34 (2) establish or administer a retirement program or

35 elect to participate in any statewide retirement program in which
36 the district is eligible to participate.

37 (b) The district may give effect to previous years of
38 service for district employees continuously employed in the
39 operation or management of the hospital facilities acquired from
40 Midland Memorial Foundation when the district was created. (Acts
41 65th Leg., R.S., Ch. 112, Sec. 6 (part).)

1 date of the election.

2 (3) Section 5A, Chapter 112, Acts of the 65th
3 Legislature, Regular Session, 1977, provides
4 procedures regarding write-in voting for director
5 elections. The revised law omits the provision
6 because it mostly duplicates Section 285.131, Health
7 and Safety Code, which, according to its terms,
8 applies to all hospital districts created under
9 general or special law. The portion of the provision
10 regarding the deadline for filing a declaration of
11 write-in candidacy is superseded by amendments made to
12 Section 285.131, Health and Safety Code, by Section
13 11, Chapter 925, Acts of the 78th Legislature, Regular
14 Session, 2003, and by Section 34, Chapter 1109, Acts of
15 the 79th Legislature, Regular Session, 2005. The
16 omitted law reads:

17 Sec. 5A. (a) In a general or special
18 election of directors, a write-in vote may
19 not be counted unless the name written in
20 appears on the list of write-in candidates.

21 (b) To be entitled to a place on the
22 list of write-in candidates, a candidate
23 must make a declaration of write-in
24 candidacy.

25 (c) A declaration of write-in
26 candidacy must be filed with the secretary
27 of the board of directors not later than 5
28 p.m. of the fifth day after the date an
29 application for a place on the ballot is
30 required to be filed in the election.
31 However, if a candidate whose name is to
32 appear on the ballot dies or is declared
33 ineligible after the 43rd day before
34 election day, a declaration of write-in
35 candidacy for the office sought by the
36 deceased or ineligible candidate may be
37 filed not later than 5 p.m. of the 37th day
38 before election day.

39 (d) Subchapter B, Chapter 146,
40 Election Code, applies to write-in voting
41 in an election of directors except to the
42 extent of a conflict with this section.

43 [Sections 1061.064-1061.100 reserved for expansion]

44 SUBCHAPTER C. POWERS AND DUTIES

45 Revised Law

46 Sec. 1061.101. DISTRICT RESPONSIBILITY. (a) The district
47 has full responsibility for providing hospital care for the

1 district's indigent residents.

2 (b) The district shall provide all necessary hospital and
3 medical care for the district's needy inhabitants. (Acts 65th
4 Leg., R.S., Ch. 112, Secs. 3(a) (part), 21 (part).)

5 Source Law

6 Sec. 3. (a) . . . This district shall provide
7 all necessary medical and hospital care for the needy
8 inhabitants of the district. . . .

9 Sec. 21. . . . The hospital district shall
10 assume full responsibility for providing hospital care
11 for the indigents residing within the district. . . .

12 Revisor's Note

13 Section 21, Chapter 112, Acts of the 65th
14 Legislature, Regular Session, 1977, provides that the
15 district "shall assume" full responsibility for
16 providing hospital care for indigents residing in the
17 district. The revised law substitutes "has" for the
18 quoted language because the duty to assume the
19 responsibility is executed.

20 Revised Law

21 Sec. 1061.102. RESTRICTION ON POLITICAL SUBDIVISION
22 TAXATION AND DEBT. A political subdivision of this state, other
23 than the district, may not impose a tax or issue bonds or other
24 obligations for hospital purposes or to provide medical care in the
25 district. (Acts 65th Leg., R.S., Ch. 112, Secs. 3(a) (part), 21
26 (part).)

27 Source Law

28 Sec. 3. (a) . . . After this district is
29 created as provided in Section 4 of this Act, no other
30 municipality or political subdivision has the
31 authority to levy taxes or issue bonds or other
32 obligations for hospital purposes or for providing
33 medical care within the boundaries of the
34 district. . . .

35 Sec. 21. After creation of the hospital
36 district, no municipality or political subdivision
37 within the boundaries of the district has the power to
38 levy taxes or issue bonds or other obligations for
39 hospital purposes or for providing medical care. . . .

40 Revisor's Note

41 (1) Sections 3(a) and 21, Chapter 112, Acts of

1 the 65th Legislature, Regular Session, 1977, provide
2 that after creation of the district, certain political
3 subdivisions may not levy taxes or issue bonds for
4 hospital purposes or for providing medical care in the
5 district. The revised law omits the references to the
6 creation of the district as executed. In addition,
7 throughout this chapter, the revised law substitutes
8 "impose" for "levy" because, in this context, the
9 terms are synonymous and the former is more commonly
10 used.

11 (2) Sections 3(a) and 21, Chapter 112, Acts of
12 the 65th Legislature, Regular Session, 1977, refer to
13 a "municipality or political subdivision." The
14 revised law omits the references to "municipality"
15 because "municipality" is included in the meaning of
16 "political subdivision."

17 Revised Law

18 Sec. 1061.103. MANAGEMENT, CONTROL, AND ADMINISTRATION;
19 GENERAL BOARD POWER. (a) The board shall manage, control, and
20 administer the district's hospital or hospital system and the
21 district's money and resources.

22 (b) The board may exercise any power provided by this
23 chapter unless the board enters into a management contract under
24 Section 1061.113 that provides the power is exercised in accordance
25 with the contract. (Acts 65th Leg., R.S., Ch. 112, Sec. 6 (part).)

26 Source Law

27 Sec. 6. The board of directors shall manage,
28 control, and administer the hospital or hospital
29 system of the district and all funds and resources of
30 the district, but The board of directors may
31 exercise all of the powers of this section and all
32 other sections of this Act, unless an operating or
33 management agreement is entered into with the board of
34 directors, in accordance with Section 7 hereof, by
35 which either all or a part of such powers shall be
36 exercised pursuant to the operating or management
37 agreement.

38 Revised Law

39 Sec. 1061.104. HOSPITAL SYSTEM. (a) The district has the

1 responsibility to establish a hospital or hospital system,
2 including medical facilities and other health facilities, within
3 its boundaries to provide hospital and medical care to the
4 district's residents.

5 (b) The district shall provide for:

6 (1) the establishment of a hospital system by:

7 (A) purchasing, constructing, acquiring,
8 repairing, or renovating buildings and equipment; and

9 (B) equipping the buildings; and

10 (2) the administration of buildings and equipment for
11 hospital and medical care purposes.

12 (c) The hospital system may include:

13 (1) facilities for domiciliary care of the sick,
14 injured, or geriatric;

15 (2) outpatient clinics;

16 (3) dispensaries;

17 (4) convalescent home facilities;

18 (5) necessary nurses' domiciliaries;

19 (6) training centers;

20 (7) training facilities for doctors and nurses and for
21 other health care disciplines;

22 (8) blood banks;

23 (9) community mental health centers;

24 (10) research centers or laboratories;

25 (11) parking; and

26 (12) any other facilities the board considers
27 necessary for a hospital or hospital system and a medical facility
28 or other health facility included in the hospital or hospital
29 system. (Acts 65th Leg., R.S., Ch. 112, Secs. 3(a) (part), (b)
30 (part), 11(a) (part).)

31 Source Law

32 Sec. 3. (a) The district authorized to be
33 created by this Act is charged with the responsibility
34 of establishing a hospital or a hospital system,
35 including medical facilities and other health
36 facilities, within its boundaries to furnish hospital
37 and medical care to the residents of the

1 district. . . .

2 (b) . . . The district shall provide for the
3 establishment of a hospital system by the purchase,
4 construction, acquisition, repair, and renovation of
5 buildings and equipment, and equipping same, and its
6 administration for hospital and medical care
7 purposes. . . .

8 Sec. 11. (a) . . . The hospital system may
9 include facilities for domiciliary care of the sick,
10 wounded, and injured, outpatient clinics,
11 dispensaries, facilities for geriatric domiciliary
12 care, convalescent home facilities, necessary nurses'
13 domiciliaries, and training centers, training
14 facilities for doctors, nurses, and other health care
15 disciplines, blood banks, community mental health
16 centers, research centers or laboratories, parking,
17 and any other facilities deemed necessary by the board
18 of directors for a hospital or hospital system and a
19 medical facility or other health facility included in
20 the hospital or hospital system. . . .

21 Revisor's Note

22 Section 11(a), Chapter 112, Acts of the 65th
23 Legislature, Regular Session, 1977, refers to the care
24 of the "sick, wounded, and injured." The revised law
25 omits the reference to "wounded" because "wounded" is
26 included in the meaning of "injured."

27 Revised Law

28 Sec. 1061.105. RULES. The board may adopt rules governing
29 the operation of the hospital, the hospital system, and the
30 district's staff and employees. (Acts 65th Leg., R.S., Ch. 112,
31 Sec. 6 (part).)

32 Source Law

33 Sec. 6. . . . The district, through its board
34 of directors, shall have the power and authority . . .
35 to promulgate rules governing the operation of the
36 hospital, hospital system, its staff, and its
37 employees. . . .

38 Revisor's Note

39 Section 6, Chapter 112, Acts of the 65th
40 Legislature, Regular Session, 1977, provides that the
41 board may "promulgate rules" to govern the district.
42 The revised law substitutes "adopt" for "promulgate"
43 because the terms are synonymous and the former is more
44 commonly used.

45 Revised Law

46 Sec. 1061.106. PURCHASING AND ACCOUNTING PROCEDURES. (a)

1 The board may prescribe:

- 2 (1) the method and manner of making purchases and
- 3 expenditures by and for the district; and
- 4 (2) all accounting and control procedures.

5 (b) The board by resolution may delegate a power described
6 by Subsection (a) to:

- 7 (1) the Midland Memorial Foundation or its successors;
- 8 or
- 9 (2) a person who enters into an operating or
- 10 management agreement with the district to exercise the power.

11 (Acts 65th Leg., R.S., Ch. 112, Sec. 12 (part).)

12 Source Law

13 Sec. 12. The board of directors has the power to
14 prescribe the method and manner of making purchases
15 and expenditures by and for the hospital district and
16 shall also be authorized to prescribe all accounting
17 and control procedures or may delegate all or any of
18 those powers, by the adoption of an appropriate
19 resolution to that effect, to the Midland Memorial
20 Foundation or its successors, or to an individual,
21 corporation, agency, political subdivision, or other
22 entity that enters into an operating or management
23 agreement with the district to exercise all or any of
24 those powers. . . .

25 Revisor's Note

26 Section 12, Chapter 112, Acts of the 65th
27 Legislature, Regular Session, 1977, refers to an
28 "individual, corporation, agency, political
29 subdivision, or other entity." Throughout this
30 chapter, the revised law substitutes "person" for the
31 quoted language or similar language because under
32 Section 311.005(2), Government Code (Code
33 Construction Act), "person" is defined to include any
34 legal entity.

35 Revised Law

36 Sec. 1061.107. AMBULANCE OR MOBILE EMERGENCY SERVICE. The
37 district may operate or provide for the operation of an ambulance or
38 mobile emergency service. (Acts 65th Leg., R.S., Ch. 112, Sec. 6
39 (part).)

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Source Law

Sec. 6. . . . The district may operate or provide for the operation of an ambulance or mobile emergency service. . . .

Revised Law

Sec. 1061.108. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT. (a) The board shall determine the type, number, and location of buildings and property required to maintain an adequate hospital system.

(b) The board may lease property, including facilities and equipment, and may enter into a lease of all or part of the district's buildings or other facilities with any person on terms considered to be in the best interest of the district. The term of the lease may not exceed 40 years.

(c) The district may acquire equipment for use in the district's hospital system, including medical and health facilities, and mortgage or pledge the property as security for the payment of the purchase price. A contract entered into under this subsection must provide that the entire obligation be retired not later than the fifth anniversary of the date of the contract.

(d) The board on behalf of the district may hold, construct, condemn, purchase, acquire, lease, add to, maintain, operate, regulate, sell, convey, or otherwise dispose of any type of property, including land or equipment, or a property right, hospital facility, or hospital system on terms the board finds are in the best interest of the district's inhabitants.

(e) The board may donate to another governmental entity or to a charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration. (Acts 65th Leg., R.S., Ch. 112, Secs. 11(a) (part), (b), 12 (part).)

Source Law

Sec. 11. (a) The board of directors is given complete discretion as to the type, number, and location of buildings and property required to establish and maintain an adequate hospital system. . . . The district, through its board of directors, is authorized to lease property,

1 facilities, or equipment and to enter into leases of
2 all or a part of its buildings and facilities with any
3 person, corporation, political subdivision, agency,
4 or branch of the state or United States, with such
5 terms and conditions as considered to be in the best
6 interest of the district; provided that no lease may be
7 for a period in excess of 40 years from the date
8 entered. On the district's behalf, the board of
9 directors may hold, construct, condemn, purchase,
10 acquire, lease, add to, maintain, operate, regulate,
11 sell, convey, or otherwise dispose of land, equipment,
12 or property of any nature, or a property right,
13 hospital facility, or hospital system on terms and
14 conditions found by the board to be in the best
15 interest of the district's inhabitants.

16 (b) The board of directors may donate to another
17 governmental entity or to a charitable organization
18 any surplus personal property or equipment if the
19 donation serves a public purpose and is accompanied by
20 adequate consideration.

21 Sec. 12. . . . The district may acquire
22 equipment for use in its hospital system, including
23 medical facilities and health facilities, and mortgage
24 or pledge the property so acquired as security for the
25 payment of the purchase price, but any such contract
26 shall provide for the entire obligation of the
27 district to be retired within five years from the date
28 of the contract. . . .

29 Revisor's Note

30 (1) Section 11(a), Chapter 112, Acts of the 65th
31 Legislature, Regular Session, 1977, requires the board
32 to determine the buildings and property required to
33 "establish and maintain" an adequate hospital system.
34 The revised law omits the reference to establishing
35 the hospital system as executed.

36 (2) Section 11(a), Chapter 112, Acts of the 65th
37 Legislature, Regular Session, 1977, refers to "terms
38 and conditions." Throughout this chapter, the revised
39 law omits the references to "conditions" because
40 "conditions" is included in the meaning of "terms."

41 Revised Law

42 Sec. 1061.109. EMINENT DOMAIN. (a) The district may
43 exercise the power of eminent domain to acquire a fee simple or
44 other interest in any type of property located in district
45 territory if the interest is necessary or convenient for the
46 district to exercise a power, right, or privilege conferred by this
47 chapter.

48 (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 petition for review. (Acts 65th Leg., R.S., Ch. 112,
12 Sec. 16(a).)

13 Source Law

14 Sec. 16. (a) The district has the right and
15 power of eminent domain for the purpose of acquiring by
16 condemnation property of any kind and character in fee
17 simple, or any lesser interest, within the boundaries
18 of the district necessary or convenient to the powers,
19 rights, and privileges conferred by this Act in the
20 manner provided by the general law with respect to
21 condemnation by counties; provided that the district
22 shall not be required to make bond or deposits in the
23 registry of the trial court as required by Paragraph 2
24 of Article 3268, Revised Civil Statutes of Texas,
25 1925, as amended. In condemnation proceedings being
26 prosecuted by the district, the district shall not be
27 required to pay in advance or give bond or other
28 security for costs in the trial court nor to give any
29 bond otherwise required for the issuance of a
30 temporary restraining order or a temporary injunction
31 nor to give bond for costs or for supersedeas on any
32 appeal or writ of error.

33 Revisor's Note

34 (1) Section 16(a), Chapter 112, Acts of the 65th
35 Legislature, Regular Session, 1977, provides that the
36 district has the "right and power of eminent domain for
37 the purpose of acquiring [property] by condemnation."
38 The revised law substitutes for the quoted language
39 "may exercise the power of eminent domain to acquire
40 [property]" because the phrases have the same meaning,
41 and the latter phrase is consistent with modern usage
42 in laws relating to eminent domain.

43 (2) Section 16(a), Chapter 112, Acts of the 65th

1 Legislature, Regular Session, 1977, provides that the
2 district must exercise the power of eminent domain in
3 the manner provided by "the general law with respect to
4 condemnation by counties." The revised law
5 substitutes for the quoted language a reference to
6 Chapter 21, Property Code, because that is the general
7 law governing eminent domain for governmental
8 entities, including counties.

9 (3) Section 16(a), Chapter 112, Acts of the 65th
10 Legislature, Regular Session, 1977, refers to
11 "Paragraph 2 of Article 3268, Revised Civil Statutes
12 of Texas, 1925, as amended." That statute was codified
13 in 1983 as Section 21.021(a), Property Code, and the
14 revised law is drafted accordingly. In addition,
15 throughout this chapter, the revised law omits the
16 references to "as amended" because under Section
17 311.027, Government Code (Code Construction Act), a
18 reference to a statute applies to all reenactments,
19 revisions, or amendments of that statute unless
20 expressly provided otherwise.

21 (4) Section 16(a), Chapter 112, Acts of the 65th
22 Legislature, Regular Session, 1977, refers to a "writ
23 of error." The revised law substitutes "petition for
24 review" for "writ of error" because, effective
25 September 1, 1997, the Texas Supreme Court replaced
26 the writ of error procedure with the petition for
27 review procedure. See Rule 53.1, Texas Rules of
28 Appellate Procedure.

29 Revised Law

30 Sec. 1061.110. COST OF RELOCATING OR ALTERING PROPERTY. In
31 exercising the power of eminent domain, if the board requires
32 relocating, raising, lowering, rerouting, changing the grade of, or
33 altering the construction of any railroad, electric transmission,
34 telegraph or telephone line, conduit, pole, or facility, or

1 pipeline, the district must bear the actual cost of relocating,
2 raising, lowering, rerouting, changing the grade, or altering the
3 construction to provide comparable replacement, without
4 enhancement of facilities, after deducting the net salvage value
5 derived from the old facility. (Acts 65th Leg., R.S., Ch. 112, Sec.
6 16(b).)

7 Source Law

8 (b) If the board requires the relocation,
9 raising, lowering, rerouting, or change in grade or
10 alteration in the construction of any railroad,
11 electric transmission, telegraph or telephone lines,
12 conduits, poles, or facilities, or pipelines in the
13 exercise of the power of eminent domain, all of the
14 relocation, raising, lowering, rerouting, or changes
15 in grade or alteration of construction due to the
16 exercise of the power of eminent domain shall be the
17 sole expense of the board. The term "sole expense"
18 means the actual cost of relocation, raising,
19 lowering, rerouting, or change in grade or alteration
20 of construction to provide comparable replacement
21 without enhancement of facilities after deducting the
22 net salvage value derived from the old facility.

23 Revised Law

24 Sec. 1061.111. 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
28 by the donor that are not inconsistent with the proper management
29 and objectives of the district. (Acts 65th Leg., R.S., Ch. 112,
30 Sec. 20.)

31 Source Law

32 Sec. 20. The board of directors of the hospital
33 district is authorized on behalf of the district to
34 accept donations, gifts, and endowments to be held in
35 trust and administered by the board of directors for
36 purposes and under directions, limitations, and
37 provisions prescribed in writing by the donor which
38 are not inconsistent with proper management and
39 objectives of the hospital district.

40 Revisor's Note

41 Section 20, Chapter 112, Acts of the 65th
42 Legislature, Regular Session, 1977, refers to
43 "donations" and "gifts." The revised law omits the
44 reference to "donations" because "donations" is
45 included in the meaning of "gifts."

1 Revised Law

2 Sec. 1061.112. CONSTRUCTION OR PURCHASE CONTRACTS. A
3 construction or purchase contract that involves the expenditure of
4 more than \$25,000 may be made only after advertising in the manner
5 provided by Chapter 252, Local Government Code. (Acts 65th Leg.,
6 R.S., Ch. 112, Sec. 12 (part).)

7 Source Law

8 Sec. 12. . . . All contracts by the district
9 for construction or purchases involving the
10 expenditure of more than \$25,000 may be made only after
11 advertising in the manner provided by Chapter 252,
12 Local Government Code. . . .

13 Revisor's Note

14 Section 12, Chapter 112, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that
16 Chapter 2253, Government Code, applies to the
17 district's construction contracts in relation to
18 performance and payment bonds. The revised law omits
19 the provision because Chapter 2253, Government Code,
20 applies to hospital districts on its own terms. The
21 omitted law reads:

22 Sec. 12. . . . The provisions of
23 Chapter 2253, Government Code, apply to
24 construction contracts let by the
25 district. . . .

26 Revised Law

27 Sec. 1061.113. MANAGEMENT AGREEMENT; LIABILITY. (a) The
28 board may enter into a management agreement with any person,
29 including the Midland Memorial Foundation or its successors, for
30 the management and operation of any hospital or part of a hospital
31 owned by the district, under terms satisfactory to the board and the
32 person.

33 (b) An agreement under Subsection (a) may be for a term not
34 to exceed 10 years, with renewal options as considered advisable.

35 (c) A nonprofit corporation that manages a hospital or
36 provides services under a contract with the district under this
37 chapter and any corporation employee are district employees for
38 purposes of Chapters 101 and 102, Civil Practice and Remedies Code,

1 while performing services under the contract for the benefit of the
2 district. (Acts 65th Leg., R.S., Ch. 112, Sec. 7.)

3 Source Law

4 Sec. 7. The board of directors, in addition to
5 any other powers which it may now or hereafter have, is
6 hereby authorized to enter into a management agreement
7 with the Midland Memorial Foundation or its successors
8 or any other individual, corporation, agency, or
9 governmental subdivision or entity for the management
10 and operation of any hospital or part thereof owned by
11 the district, under such terms and conditions as may be
12 satisfactory to the board of directors and the Midland
13 Memorial Foundation or any other individual,
14 corporation, agency, or governmental subdivision or
15 entity. Such agreement may be for a term of up to 10
16 years with such options of renewal as deemed
17 advisable. A nonprofit corporation that manages a
18 hospital or provides services under a contract with
19 the district under this Act and any employee of the
20 corporation are, while performing services under the
21 contract for the benefit of the district, employees of
22 the district for the purposes of Chapters 101 and 102,
23 Civil Practice and Remedies Code.

24 Revised Law

25 Sec. 1061.114. CONTRACTS FOR HOSPITALIZATION, TREATMENT,
26 AND TRAINING. (a) The board may contract with any person located
27 inside or outside the district's boundaries for the hospitalization
28 and treatment of a sick or injured person.

29 (b) The district may contract with any person located inside
30 or outside the district's boundaries for services provided by the
31 district, including:

- 32 (1) the promotion of health;
- 33 (2) hospital treatment of a sick or injured person;
- 34 and
- 35 (3) the training of doctors and nurses and the
36 provision of training in health care disciplines. (Acts 65th Leg.,
37 R.S., Ch. 112, Sec. 6 (part).)

38 Source Law

39 Sec. 6. . . . The board shall be authorized to
40 contract with any person, firm, corporation, hospital
41 or hospital authority, hospital district, emergency
42 services district, county, incorporated municipality,
43 or any political subdivision of this state, located
44 inside or outside its boundaries, for the
45 hospitalization and treatment of sick, diseased, or
46 injured persons. . . . The district may contract with
47 the state or its agencies, the federal government or
48 its agencies, or a person, firm, corporation,
49 hospital, hospital authority, emergency services

1 district, county, incorporated municipality, or
2 another political subdivision of this state, located
3 inside or outside its boundaries, for services
4 provided by the district, including the promotion of
5 health, hospital treatment of sick, diseased, or
6 injured persons, and the training of doctors, nurses,
7 and other health care disciplines. . . .

8 Revisor's Note

9 Section 6, Chapter 112, Acts of the 65th
10 Legislature, Regular Session, 1977, refers to the
11 treatment of "sick, diseased, or injured persons."
12 The revised law omits the reference to "diseased"
13 because "diseased" is included in the meaning of
14 "sick."

15 Revised Law

16 Sec. 1061.115. CONTRACT FOR INVESTIGATORY OR OTHER
17 SERVICES. The board may contract with any person for the district to
18 provide investigatory or other services for the medical, hospital,
19 or welfare needs of district inhabitants. (Acts 65th Leg., R.S.,
20 Ch. 112, Sec. 6 (part).)

21 Source Law

22 Sec. 6. . . . The board shall be authorized to
23 contract with any person, firm, corporation, political
24 subdivision, or governmental agency whereby the
25 district will provide investigatory or other services
26 as to the medical, hospital, or welfare needs of the
27 inhabitants of the district. . . .

28 Revised Law

29 Sec. 1061.116. CONTRACT FOR FACILITIES TO SUPPORT SURGICAL
30 RESIDENCY PROGRAM. (a) The board may contract with a state agency or
31 public medical school, including the Texas Tech University Health
32 Sciences Center, for the improvement and equipping of hospital
33 facilities as necessary to support a surgical residency program.

34 (b) Notwithstanding other law, the state agency or medical
35 school may enter into an agreement described by Subsection (a) and
36 spend appropriated funds for that purpose. (Acts 65th Leg., R.S.,
37 Ch. 112, Sec. 6A.)

38 Source Law

39 Sec. 6A. The board may contract with a state
40 agency or public medical school, including the Texas
41 Tech University Health Sciences Center, for the
42 improvement and equipping of hospital facilities as

1 necessary to support a surgical residency program.
2 Notwithstanding other law, the state agency or medical
3 school may enter into such an agreement and expend
4 appropriated funds for that purpose.

5 Revised Law

6 Sec. 1061.117. PROVISION OF SERVICES OUTSIDE DISTRICT. The
7 district may provide primary care, emergency services, preventive
8 medical services, and other health-related services outside the
9 district, provided that the services serve the purpose of the
10 district as established by this chapter. (Acts 65th Leg., R.S., Ch.
11 112, Sec. 3(a) (part).)

12 Source Law

13 (a) . . . The district may provide primary care,
14 emergency services, preventive medical services, and
15 other health-related services outside the boundaries
16 of the district, provided that the services serve the
17 purpose of the district as established by this Act.

18 Revised Law

19 Sec. 1061.118. PAYMENT FOR TREATMENT; PROCEDURES. (a) When
20 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 financial 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
28 the care and treatment in the hospital, the amount of the costs that
29 cannot be paid becomes a charge against the district.

30 (c) If the district administrator determines that the
31 patient or those relatives can pay for all or part of the patient's
32 care and treatment, the patient or those relatives shall be ordered
33 to pay the district a specified amount each week for the patient's
34 care and support. The amount ordered must be proportionate to the
35 person's financial ability.

36 (d) The district administrator may collect the amount from
37 the patient's estate, or from any relative who is legally liable for
38 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 hear and
4 determine the issue, after calling witnesses.

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 65th Leg., R.S., Ch. 112, Sec. 19 (part).)

8 Source Law

9 Sec. 19. When a patient residing within the
10 district has been admitted to the district's
11 facilities, the administrator may cause inquiry to be
12 made as to his financial circumstances and those of the
13 relatives of the patient legally liable for his
14 support. If he finds that the patient or his relatives
15 are able to pay for his care and treatment in whole or
16 in part, an order shall be made directing the patient
17 or his relatives to pay to the hospital district for
18 the care and support of the patient a specified sum
19 each week in proportion to their financial ability.
20 The administrator shall have power and authority to
21 collect the sums from the estate of the patient or his
22 relatives legally liable for his support in the manner
23 provided by law for collection of expenses in the last
24 illness of a deceased person. If the administrator
25 finds that the patient or his relatives are not able to
26 pay, either in whole or in part, for his care and
27 treatment in the hospital, it shall become a charge on
28 the hospital district as to the amount of the inability
29 to pay. Should there be any dispute as to the ability
30 to pay or doubt in the mind of the administrator or
31 manager, the board of directors shall hear and
32 determine the issue after calling witnesses. Appeals
33 from the final order of the board lie to the district
34 court. The substantial evidence rule applies. . . .

35 Revisor's Note

36 Section 19, Chapter 112, Acts of the 65th
37 Legislature, Regular Session, 1977, refers to the
38 district "administrator or manager." The revised law
39 omits "manager" because, in context, "manager" is
40 included in the meaning of "administrator" and
41 "administrator" is the term used by the district.

42 Revised Law

43 Sec. 1061.119. REIMBURSEMENT FOR SERVICES TO NONRESIDENTS.
44 If a welfare patient, who is not a district resident, is admitted to
45 a district facility, the district may:

46 (1) seek reimbursement from the patient's county of
47 residence; and

1 (2) sue for reimbursement. (Acts 65th Leg., R.S., Ch.
2 112, Sec. 19 (part).)

3 Source Law

4 Sec. 19. . . . If a welfare patient is admitted
5 to the district's facilities and is not a resident of
6 the district, the district may seek reimbursement from
7 the county of the residency of the patient and may sue
8 for reimbursement.

9 Revised Law

10 Sec. 1061.120. AUTHORITY TO SUE AND BE SUED. The district,
11 through the board, may sue and be sued. (Acts 65th Leg., R.S., Ch.
12 112, Sec. 6 (part).)

13 Source Law

14 Sec. 6. . . . The district, through its board of
15 directors, shall have the power and authority to sue
16 and be sued and

17 [Sections 1061.121-1061.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Revised Law

20 Sec. 1061.151. BUDGET. (a) Unless otherwise provided in a
21 management agreement, the district administrator shall prepare an
22 annual budget for approval by the board.

23 (b) The proposed budget must contain a complete financial
24 statement of:

- 25 (1) the outstanding obligations of the district;
- 26 (2) the cash on hand in each district fund;
- 27 (3) the money received by the district from all
28 sources during the previous year;
- 29 (4) the money available to the district from all
30 sources during the ensuing year;
- 31 (5) the balances expected at the end of the year in
32 which the budget is being prepared;
- 33 (6) the estimated revenue and balances available to
34 cover the proposed budget;
- 35 (7) the estimated tax rate required; and
- 36 (8) the proposed expenditures and disbursements and
37 the estimated receipts and collections for the following fiscal

1 year.

2 (c) The board shall provide in each annual budget for the
3 payment of all operation and maintenance expenses of the district.

4 (d) In preparing the budget, the board may consider the
5 estimated excess revenue and income from hospital facilities
6 available for paying the operation and maintenance expenses after
7 providing for the payment of revenue bonds issued by the district.

8 (Acts 65th Leg., R.S., Ch. 112, Secs. 8 (part), 10 (part).)

9 Source Law

10 Sec. 8. . . . Unless otherwise provided for in a
11 management agreement, the administrator shall prepare
12 an annual budget for approval by the board of
13 directors. The budget shall also contain a complete
14 financial statement of the district showing all
15 outstanding obligations of the district, the cash on
16 hand to the credit of each fund of the district, the
17 funds received from all sources during the previous
18 year, the funds available from all sources during the
19 ensuing year, with balances expected at year-end of
20 the year in which the budget is being prepared,
21 estimated revenues and balances available to cover the
22 proposed budget, the estimated tax rate which will be
23 required, and the proposed expenditures,
24 disbursements, and estimated receipts and collections
25 for the following fiscal year. . . .

26 Sec. 10. [The board of directors of the district
27 is authorized to issue revenue bonds] The
28 board of directors of the district shall make
29 provision in each annual hospital district budget for
30 the payment of all operation and maintenance expenses
31 of the hospital district. In preparing the budget, the
32 board of directors may take into consideration the
33 estimated excess revenues and income from hospital
34 facilities that will be available for paying operation
35 and maintenance expenses after providing with said
36 bonds. . . .

37 Revised Law

38 Sec. 1061.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
39 The board shall hold a public hearing on the proposed annual budget.

40 (b) At least 10 days before the date of the hearing, notice
41 of the hearing shall be published one time in a newspaper or
42 newspapers that individually or collectively have general
43 circulation in the district.

44 (c) Any property taxpayer of the district is entitled to be
45 present and participate at the hearing.

46 (d) At the conclusion of the hearing, the board shall adopt
47 a budget by acting on the budget proposed by the district

1 administrator. The board may make any changes in the proposed
2 budget that the board judges to be in the interest of the taxpayers
3 and that the law warrants. (Acts 65th Leg., R.S., Ch. 112, Sec. 8
4 (part).)

5 Source Law

6 Sec. 8. . . . A public hearing on the annual
7 budget shall be held by the board of directors after
8 notice of the hearing has been published one time at
9 least 10 days before the date set for the hearing in a
10 newspaper or newspapers which individually or
11 collectively provide general circulation in the
12 hospital district. Any property taxpayer of the
13 district shall have the right to be present and
14 participate in the hearing. At the conclusion of the
15 hearing, the budget as proposed shall be acted on by
16 the board of directors. The board of directors shall
17 have authority to make such changes in the budget as in
18 their judgment the law warrants and the interest of the
19 taxpayers demands. . . . the annual budget and . . .
20 shall be approved by the board of directors. . . .

21 Revised Law

22 Sec. 1061.153. AMENDMENTS TO BUDGET. The budget may be
23 amended as required by circumstances. The board must approve all
24 amendments. (Acts 65th Leg., R.S., Ch. 112, Sec. 8 (part).)

25 Source Law

26 Sec. 8. . . . The annual budget may be amended
27 from time to time as the circumstances may require, but
28 . . . all amendments shall be approved by the board of
29 directors. . . .

30 Revisor's Note

31 Section 8, Chapter 112, Acts of the 65th
32 Legislature, Regular Session, 1977, states that the
33 board may amend the budget "from time to time." The
34 revised law omits the quoted language because the
35 authority to amend the budget implies the authority to
36 do so at any time.

37 Revised Law

38 Sec. 1061.154. RESTRICTION ON EXPENDITURES. Money may be
39 spent only for an expense included in the budget or an amendment to
40 the budget. (Acts 65th Leg., R.S., Ch. 112, Sec. 8 (part).)

41 Source Law

42 Sec. 8. . . . No expenditures may be made for
43 any expense not included in the annual budget or an
44 amendment to it. . . .

1 Revised Law

2 Sec. 1061.155. FISCAL YEAR. The district operates
3 according to a fiscal year that begins on October 1 and ends on
4 September 30. The board may change the fiscal year. (Acts 65th
5 Leg., R.S., Ch. 112, Sec. 8 (part).)

6 Source Law

7 Sec. 8. The district shall be operated on the
8 basis of a fiscal year originally established to
9 commence on October 1 of each year and end on September
10 30 of the following year; such fiscal year may be
11 changed by the board of directors. . . .

12 Revised Law

13 Sec. 1061.156. AUDIT. The board shall have an independent
14 audit made of the district's financial condition for each fiscal
15 year. (Acts 65th Leg., R.S., Ch. 112, Sec. 8 (part).)

16 Source Law

17 Sec. 8. . . . The board of directors shall cause
18 for every fiscal year an independent audit to be made
19 of the financial condition of the district,

20 Revised Law

21 Sec. 1061.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
22 The audit and other district records shall be open to inspection at
23 the district's principal office. (Acts 65th Leg., R.S., Ch. 112,
24 Sec. 8 (part).)

25 Source Law

26 Sec. 8. . . . [The board of directors shall
27 cause for every fiscal year an independent audit to be
28 made of the financial condition of the district,]
29 which, together with other records of the district,
30 shall be open to inspection at the principal office of
31 the district. . . .

32 Revised Law

33 Sec. 1061.158. FINANCIAL REPORT. As soon as practicable
34 after the close of each fiscal year, the district administrator or
35 the managing entity of the hospital shall prepare for the board:

36 (1) a complete sworn statement of all district money;
37 and

38 (2) a complete account of the disbursements of that
39 money. (Acts 65th Leg., R.S., Ch. 112, Sec. 8 (part).)

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Source Law

Sec. 8. . . . As soon as practicable after the close of each fiscal year, the administrator or the managing entity of the hospital shall prepare for the board a full sworn statement of all money belonging to the district and a full account of disbursements.

Revised Law

Sec. 1061.159. DEPOSITORY. (a) The board shall select one or more banks in the district to serve as a depository for district money. A selected bank serves for four years. Bids shall be received for a depository contract after notice is published one time in a newspaper of general circulation in the district 20 days before the date to open the bids. The district shall award the depository contract to the bank or banks offering the most favorable terms for handling the district's money.

(b) District money, other than money invested as provided by Section 1061.160(b) and money transmitted to a bank for payment of bonds or obligations issued by the district, shall be deposited as received with the depository bank and shall remain on deposit.

(c) This chapter, including Subsection (b), does not limit the power of the board to place a part of district money on time deposit or to purchase certificates of deposit.

(d) The district may not deposit money with a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation unless the bank first executes a bond or other security or pledges security as required for county depositories in an amount sufficient to secure from loss the district money that exceeds the amount secured by the Federal Deposit Insurance Corporation. (Acts 65th Leg., R.S., Ch. 112, Sec. 13.)

Source Law

Sec. 13. (a) The board of directors of the district shall name one or more banks within its boundaries to serve as depository for the funds of the district for a period of four years. Bids shall be received for a depository contract after a notice is published once, 20 days before the date to open such bids, in a newspaper of general circulation in the district. The depository contract shall be awarded to the bank or banks offering the most favorable terms and conditions for handling the district's money. All

1 funds of the district, except those invested as
2 provided in Section 6 of this Act and those transmitted
3 to a bank or banks as payment for bonds or obligations
4 issued by the district, shall be deposited as received
5 with the depository bank and shall remain on deposit;
6 provided that nothing in this Act shall limit the power
7 of the board to place a portion of such funds on time
8 deposit or purchase certificates of deposit.

9 (b) Before the district deposits in a bank funds
10 of the district in an amount which exceeds the maximum
11 amount secured by the Federal Deposit Insurance
12 Corporation, the bank shall be required to execute a
13 bond or other security or pledged securities as
14 required for county depositories in an amount
15 sufficient to secure from loss the district funds
16 which exceed the amount secured by the Federal Deposit
17 Insurance Corporation.

18 Revised Law

19 Sec. 1061.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
20 Except as otherwise provided by Section 1061.108(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 reserves only in funds or securities specified by Chapter
26 2256, Government Code. (Acts 65th Leg., R.S., Ch. 112, Secs. 6
27 (part), 12 (part).)

28 Source Law

29 Sec. 6. . . . operating, depreciation, or
30 building fund reserves may not be invested in any funds
31 or securities other than those specified in Articles
32 836 and 837, Revised Civil Statutes of Texas, 1925, as
33 amended. . . .

34 Sec. 12. . . . Except as permitted in the
35 preceding sentence and as permitted by Sections 9 and
36 10 of this Act, the district may incur no obligation
37 payable from any revenues of the district, taxes or
38 otherwise, except those on hand or to be on hand within
39 the current and following fiscal year of the district.

40 Revisor's Note

41 (1) Section 6, Chapter 112, Acts of the 65th
42 Legislature, Regular Session, 1977, refers to
43 "Articles 836 and 837, Revised Civil Statutes of
44 Texas, 1925, as amended." Those articles were
45 impliedly repealed by the enactment of the Public
46 Funds Investment Act of 1987 (Article 842a-2, Vernon's
47 Texas Civil Statutes), which was revised in 1993 as

1 Chapter 2256, Government Code. Chapter 2256 defines
2 "local government" to include hospital districts and
3 applies to the district by its own terms. The revised
4 law therefore substitutes a reference to Chapter 2256,
5 Government Code, for the references to Articles 836
6 and 837.

7 (2) Section 12, Chapter 112, Acts of the 65th
8 Legislature, Regular Session, 1977, states that
9 "[e]xcept as permitted in the preceding sentence and
10 as permitted by Sections 9 and 10 of this Act," the
11 district may not incur certain obligations. The
12 "preceding sentence" in Section 12 is codified in
13 Section 1061.108(c). Sections 9 and 10 are codified in
14 Subchapter E. The revised law is drafted accordingly.

15 [Sections 1061.161-1061.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Revised Law

18 Sec. 1061.201. GENERAL OBLIGATION BONDS. The board may
19 issue and sell general obligation bonds in the name and on the full
20 faith and credit of the district for:

21 (1) the purchase, construction, acquisition, repair,
22 or renovation of buildings or improvements; and

23 (2) equipping buildings or improvements for hospital
24 purposes. (Acts 65th Leg., R.S., Ch. 112, Sec. 9(a) (part).)

25 Source Law

26 Sec. 9. (a) The board of directors shall have
27 the power to issue and sell its bonds in the name and on
28 the full faith and credit of the hospital district for
29 the purchase, construction, acquisition, repair, or
30 renovation of buildings and improvements and equipping
31 same for hospital purposes. . . .

32 Revisor's Note

33 Section 9(a), Chapter 112, Acts of the 65th
34 Legislature, Regular Session, 1977, provides that the
35 board may issue and sell bonds in the name and on the
36 full faith and credit of the district. Because the
37 type of bonds described by Section 9(a) are known as

1 "general obligation bonds," the revised law is drafted
2 accordingly.

3 Revised Law

4 Sec. 1061.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
5 the time general obligation bonds are issued by the district under
6 Section 1061.201, 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 tax rate approved by the voters at the election authorizing the
12 imposition of the tax. (Acts 65th Leg., R.S., Ch. 112, Sec. 9(a)
13 (part).)

14 Source Law

15 (a) . . . At the time of the issuance of any
16 bonds by the district, a tax shall be levied by the
17 board sufficient to create an interest and sinking
18 fund to pay the interest on and principal of the bonds
19 as same mature, providing the tax, together with any
20 other taxes levied for the district, shall not exceed
21 the rate of tax approved under Section 4 of this Act.
22 . . .

23 Revisor's Note

24 (1) Section 9(a), Chapter 112, Acts of the 65th
25 Legislature, Regular Session, 1977, requires the
26 district to levy a tax to pay the principal of and
27 interest on bonds. The revised law specifies that the
28 tax is an "ad valorem" tax because it is clear from the
29 source law that the tax is a property tax and "ad
30 valorem" is the term most commonly used to refer to a
31 property tax.

32 (2) Section 9(a), Chapter 112, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that the
34 tax rate may not exceed "the rate of tax approved under
35 Section 4 of this Act." Section 4 sets out procedures
36 for the district's creation election and requires
37 voter approval of the district's authority to impose
38 taxes. Because the revised law omits Section 4 for the

1 reason stated in the revisor's note at the end of
2 Subchapter A, the revised law substitutes "the tax
3 rate approved by the voters at the election
4 authorizing the imposition of the tax" for the quoted
5 language.

6 Revised Law

7 Sec. 1061.203. BOND ELECTION. (a) The district may issue
8 tax bonds only if the bonds are authorized by a majority of the
9 district voters voting at an election held for that purpose.

10 (b) The order calling the election shall provide for clerks
11 as in county elections and must specify:

12 (1) the date of the election;

13 (2) the location of the polling places;

14 (3) the presiding and alternate presiding judges for
15 each polling place;

16 (4) the amount of the bonds to be authorized; and

17 (5) the maximum maturity date of the bonds.

18 (c) Notice of a bond election shall be given as provided by
19 Section 1251.003, Government Code. (Acts 65th Leg., R.S., Ch. 112,
20 Sec. 9(a) (part).)

21 Source Law

22 (a) . . . No tax bonds shall be issued by the
23 hospital district . . . until authorized by a majority
24 of the electors of the district voting at an election
25 called for that purpose. The order for a bond election
26 shall specify the date of the election, the amount of
27 bonds to be authorized, and the maximum maturity date,
28 the place or places where the election shall be held,
29 the presiding judge and alternate presiding judge for
30 each voting place, and provide for clerks as in county
31 elections. . . . notice of any bond election shall be
32 given as provided in Article 704, Revised Civil
33 Statutes of Texas, 1925, as amended, and shall be
34 conducted in accordance with the Texas Election Code,
35 as amended, except as modified by the provisions of
36 this Act.

37 Revisor's Note

38 (1) Section 9(a), Chapter 112, Acts of the 65th
39 Legislature, Regular Session, 1977, provides that
40 notice of a bond election under Section 9(b) must be
41 given as provided by Section 4. As explained in the

1 revisor's note to the end of Subchapter A, Sections 4
2 and 9(b), Chapter 112, are executed. The revised law
3 therefore omits the provision. The omitted law reads:

4 (a) . . . Except for a bond election
5 held under Subsection (b) of this section in
6 which case notice shall be given as provided
7 in Section 4 of this Act,

8 (2) Section 9(a), Chapter 112, Acts of the 65th
9 Legislature, Regular Session, 1977, refers to Article
10 704, Revised Statutes, which specifies certain notice
11 requirements for a bond election. That provision was
12 codified in 1999 as Section 1251.003, Government Code.
13 The revised law is drafted accordingly.

14 (3) Section 9(a), Chapter 112, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that an
16 election under Section 9 "shall be conducted in
17 accordance with the Texas Election Code, as amended,
18 except as modified by the provisions of this Act." The
19 revised law omits the quoted language because Section
20 1.002, Election Code, provides that the Election Code
21 applies to all elections held in this state. An
22 exception to the application of the Election Code
23 would apply by its own terms.

24 Revised Law

25 Sec. 1061.204. REVENUE BONDS. (a) The board may issue
26 revenue bonds for the purchase, construction, acquisition, and
27 repair or renovation of buildings and improvements, and equipping
28 any hospital facilities, including facilities for parking, and the
29 training of doctors, nurses, and health care disciplines, and to
30 acquire any real or personal property in connection with the
31 hospital facilities.

32 (b) A revenue bond issued under this section must mature not
33 later than 40 years after the date of issuance.

34 (c) The board may provide for the subsequent issuance of
35 additional parity bonds, subordinate lien bonds, or other types of
36 bonds under terms prescribed in the order authorizing the issuance

1 of revenue bonds. (Acts 65th Leg., R.S., Ch. 112, Sec. 10 (part).)

2 Source Law

3 Sec. 10. The board of directors is authorized to
4 issue revenue bonds therewith, Said bonds may
5 be issued to mature serially or otherwise not to exceed
6 40 years from their date. In the authorization of any
7 such bonds, the board of directors may provide for the
8 subsequent issuance of additional parity bonds or
9 subordinate lien bonds or other types of bonds, under
10 such terms or conditions as may be set forth in the
11 order authorizing the issuance of said bonds, all
12 within the discretion of the board of directors. . . .

13 Revisor's Note

14 Section 10, Chapter 112, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that
16 district bonds may mature "serially or otherwise."
17 The revised law omits the quoted language because it is
18 superseded by Section 1201.021, Government Code
19 (enacted as Section 3, Bond Procedures Act of 1981
20 (Article 717k-6, Vernon's Texas Civil Statutes)),
21 which provides that the governing body of an issuer may
22 determine the time of payment of public securities it
23 issues, and by Section 1201.022, Government Code
24 (enacted as Section 5(a), Bond Procedures Act of 1981
25 (Article 717k-6, Vernon's Texas Civil Statutes)),
26 which provides that a public security may be issued
27 with specified characteristics, on specified terms, or
28 in a specified manner. Sections 1201.021 and 1201.022
29 apply to district bonds under Sections 1201.002 and
30 1201.003, Government Code.

31 Revised Law

32 Sec. 1061.205. PAYMENT OF REVENUE BONDS; SECURITY. (a)
33 Revenue bonds issued under Section 1061.204 must be payable from
34 and secured by liens on and pledges of all or any part of the revenue
35 and income, other than ad valorem taxes, derived by the district
36 from the operation of district facilities, the ownership of
37 district facilities, or both. The board may pledge to the payment
38 of revenue bonds all or any part of a grant, donation, or income
39 received or to be received from the United States or any other

1 public or private source under an agreement or otherwise.

2 (b) The bonds may be additionally secured by a mortgage or
3 deed of trust on any real property on which a district hospital
4 facility is or will be located and any real or personal property
5 incident or appurtenant to the facility. The board may authorize
6 the execution and delivery of a trust indenture, mortgage, deed of
7 trust, or other form of encumbrance to evidence the security
8 interest. (Acts 65th Leg., R.S., Ch. 112, Sec. 10 (part).)

9 Source Law

10 Sec. 10. The board of directors is authorized to
11 issue revenue bonds . . . to be payable from and
12 secured by liens on and pledges of all or any part of
13 the revenues and income of every nature derived by the
14 hospital district from the operation and/or ownership
15 of its facilities (exclusive of ad valorem taxes). The
16 board of directors shall be authorized to pledge to the
17 payment of said bonds all or any part of any grant,
18 donation, or income received or to be received from the
19 United States Government or any other public or
20 private source, whether pursuant to an agreement or
21 otherwise. Said bonds may be additionally secured by
22 mortgages and deeds of trust on any real property on
23 which any hospital facilities of the hospital district
24 are or will be located and any real or personal
25 property incident or appurtenant to said facilities,
26 and the board of directors may authorize the execution
27 and delivery of trust indentures, mortgages, deeds of
28 trust, or other forms of encumbrances to evidence
29 same. . . .

30 Revised Law

31 Sec. 1061.206. USE OF REVENUE BOND PROCEEDS. (a) If
32 permitted in the bond order, any required part of the proceeds from
33 the sale of the revenue bonds may be used to:

34 (1) pay interest on the bonds during the period of the
35 construction of a hospital facility to be provided through the
36 issuance of the bonds;

37 (2) pay operation and maintenance expenses of the
38 facility to the extent and for the time specified in the bond order;
39 and

40 (3) create reserves for the payment of the principal
41 of and interest on the bonds.

42 (b) The bond proceeds may be invested until needed to the
43 extent and in the manner provided by the bond order. (Acts 65th
44 Leg., R.S., Ch. 112, Sec. 10 (part).)

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Source Law

Sec. 10. . . . If so permitted in the bond order, any required part of the proceeds from the sale of the bonds may be used for paying interest thereon during the period of the construction of any hospital facilities to be provided through the issuance of said bonds and for the payment of operation and maintenance expenses of said facilities to the extent and for the period of time specified in said bond order and also for the creation of reserves for the payment of the principal of and interest on the bonds; such money may be invested, until needed, to the extent and in the manner provided in said bond order. . . .

Revisor's Note

(1) Section 10, Chapter 112, Acts of the 65th Legislature, Regular Session, 1977, provides that the bonds and interest coupons are negotiable instruments that shall be executed. The revised law omits the reference to "negotiable instruments" because it duplicates Section 1201.041, Government Code, which provides that all public securities are negotiable instruments. Section 1201.041, Government Code, applies to district bonds by application of Section 1201.002, Government Code. The revised law omits the reference to "interest coupons" because the coupons are issued as part of the bonds. The reference to the requirement that the bonds be "executed" is omitted because bonds issued are executed. The omitted law reads:

Sec. 10. . . . Said bonds and any interest coupons appertaining thereto shall be negotiable instruments . . . and shall be executed and

(2) Section 10, Chapter 112, Acts of the 65th Legislature, Regular Session, 1977, provides that district bonds may be issued registrable as to principal or both principal and interest. The revised law omits the provision because it duplicates Section 1201.024, Government Code. That section applies to district bonds by application of Section 1201.002, Government Code. The omitted law reads:

1 Sec. 10. . . . (provided that such
2 bonds may be issued registrable as to
3 principal alone or as to both principal and
4 interest)

5 (3) Sections 9(d) and 10, Chapter 112, Acts of
6 the 65th Legislature, Regular Session, 1977, provide
7 that district bonds may be redeemable before maturity.
8 Section 9(d) also provides that the bonds "shall be
9 executed." The revised law omits the requirement that
10 the bonds be "executed" for the reason stated in
11 Revisor's Note (1). The revised law omits the
12 provisions stating that the bonds may be redeemable
13 before maturity because Section 1201.021, Government
14 Code, provides that a public security may be redeemed
15 before maturity. That section applies to district
16 bonds by the application of Section 1201.002,
17 Government Code. The omitted law reads:

18 [Sec. 9]
19 (d) Bonds of the district shall be
20 executed and may be made redeemable prior to
21 maturity and
22 Sec. 10. . . . [Said bonds] . . . may
23 be made redeemable prior to maturity and
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25 (4) Sections 9(d) and 10, Chapter 112, Acts of
26 the 65th Legislature, Regular Session, 1977, provide
27 the manner and form in which and terms under which
28 district bonds may be issued and sold as provided by
29 the board in the orders authorizing the bond issuance.
30 The revised law omits the provisions because the
31 provisions duplicate or are superseded by provisions
32 of general law. Sections 1201.005 and 1201.024,
33 Government Code, provide that an issuer, including a
34 hospital district, may specify the form of a bond it
35 issues. Section 1201.021, Government Code, provides
36 that the governing body of an issuer may issue bonds in
37 any denomination. Sections 1201.005 and 1201.022,
38 Government Code, provide that a governmental entity
39 may specify the terms under which a bond is issued.

1 "Conditions" and "details" are included in the meaning
2 of "terms." Section 1204.006(b), Government Code,
3 provides that an issuer, including a hospital
4 district, may sell public securities at any price and
5 bearing interest at any rate or rates. The omitted law
6 reads:

7 [Sec. 9]

8 (d) [Bonds of the district] . . . may
9 be issued in such form, denomination, and
10 manner and may be sold at such price and
11 under such terms and with such interest
12 rates as shall be determined and provided by
13 the board of directors in the order
14 authorizing the issuance of such bonds.
15 . . .

16 Sec. 10. . . . [Said bonds] . . .
17 may be issued in such form, denominations,
18 and manner and under such terms,
19 conditions, and details, and may be sold in
20 such manner, at such price, and under such
21 terms, and said bonds shall bear interest at
22 any rate or rates, all as shall be
23 determined and provided by the board of
24 directors in the order authorizing the
25 issuance of said bonds. . . .

26 Revised Law

27 Sec. 1061.207. CHARGE FOR OCCUPANCY OR USE OF HOSPITAL
28 FACILITY. The board may establish and collect charges for the
29 occupancy or use of a hospital facility and for related services in
30 the amounts and manner determined by the board. The charges shall
31 be set and collected in amounts at least sufficient with any other
32 pledged resources to pay:

33 (1) the principal of, interest on, and any other
34 amounts required in relation to bonds issued by the district; and

35 (2) to the extent required by the bond order, all or
36 any part of the operation, maintenance, and other expenses of the
37 hospital facility. (Acts 65th Leg., R.S., Ch. 112, Sec. 10 (part).)

38 Source Law

39 Sec. 10. . . . The board of directors of the
40 district shall be authorized to fix and collect
41 charges for the occupancy or use of any of said
42 hospital facilities and the services thereof in such
43 amounts and in such manner as may be determined by such
44 board of directors, and such charges shall be fixed and
45 collected in such amounts as will be at least
46 sufficient, together with any other pledged resources,
47 to provide for all payments of principal, interest,
48 and any other amounts required in connection with said

1 bonds, and, to the extent required by the bond order,
2 to provide for payment of all or any part of the
3 operation, maintenance, and other expenses of the
4 hospital facilities. . . .

5 Revised Law

6 Sec. 1061.208. 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) Refunding bonds may be:

10 (1) sold, with the proceeds of the refunding bonds
11 applied to the payment of the outstanding indebtedness; or

12 (2) exchanged wholly or partly for not less than a like
13 principal amount of outstanding indebtedness. (Acts 65th Leg.,
14 R.S., Ch. 112, Secs. 9(a) (part), (c) (part), 10 (part).)

15 Source Law

16 Sec. 9. (a) . . . [No tax bonds shall be issued
17 by the hospital district] except refunding bonds
18 [until authorized by a majority of the electors of the
19 district voting at an election called for that
20 purpose.] . . .

21 (c) The board may issue refunding bonds of the
22 district for the purpose of refunding and paying off
23 any outstanding indebtedness issued or assumed. The
24 refunding bonds may be sold and the proceeds applied to
25 the payment of outstanding indebtedness or may be
26 exchanged in whole or in part for not less than a like
27 principal amount of outstanding indebtedness;

28 Sec. 10. . . . Any revenue bonds issued by the
29 board of directors under this Act and any revenue bonds
30 issued by any such board of directors under any other
31 statute and payable from revenues from any hospital
32 facilities may be refunded or otherwise refinanced by
33 such board of directors, and in such case all pertinent
34 and appropriate provisions of this Act shall be fully
35 applicable to such refunding bonds.

36 Revisor's Note

37 (1) Section 9(c), Chapter 112, Acts of the 65th
38 Legislature, Regular Session, 1977, provides in part
39 that refunding bonds must bear interest at the same or
40 a lower rate than the rate of the debt refunded unless
41 a savings is shown. The revised law omits that
42 provision because it has been superseded by the
43 enactment of the maximum interest rate provision found
44 in Section 1204.006, Government Code. That section
45 reflects the 1981 amendment of Chapter 3, Acts of the

1 61st Legislature, Regular Session, 1969 (Article
2 717k-2, Vernon's Texas Civil Statutes, now Chapter
3 1204, Government Code), by Section 1, Chapter 61, Acts
4 of the 67th Legislature, Regular Session, 1981, and
5 permits a public agency, including a hospital
6 district, to issue public securities at any net
7 effective interest rate of 15 percent or less. Section
8 1204.006, Government Code, applies to district bonds
9 by application of Section 1204.001, Government Code.
10 The omitted law reads:

11 (c) . . . provided that, if refunding
12 bonds are to be exchanged for a like amount
13 of the outstanding indebtedness, the
14 refunding bonds shall bear interest at the
15 same or lower rate than borne by the debt
16 refunded, unless it is shown mathematically
17 that a saving will result in the total
18 amount of interest to be paid on the
19 refunding bonds. . . .

20 (2) Section 9(c), Chapter 112, Acts of the 65th
21 Legislature, Regular Session, 1977, provides that
22 refunding bonds sold to pay outstanding indebtedness
23 shall be issued and sold "under such terms and
24 conditions as deemed advisable by the board of
25 directors." The revised law omits the provision
26 because it duplicates Section 1207.024, Government
27 Code, which provides that a governmental entity may
28 specify the terms under which a refunding bond is
29 issued. "Conditions" are included in the meaning of
30 "terms." The omitted law reads:

31 (c) . . . If refunding bonds are to
32 be sold and the proceeds thereof applied to
33 the payment of any such outstanding
34 indebtedness, they shall be issued and sold
35 under such terms and conditions as deemed
36 advisable by the board of directors.

37 (3) Section 10, Chapter 112, Acts of the 65th
38 Legislature, Regular Session, 1977, provides
39 procedures applicable to issuing refunding bonds for
40 revenue bonds. The revised law omits the provision
41 because it duplicates Section 1207.004, Government

1 Code. Section 1207.004, Government Code, applies to
2 district refunding bonds by application of Section
3 1207.001, Government Code. The omitted law reads:

4 Sec. 10. . . . In refunding or
5 otherwise refinancing any such bonds, the
6 board of directors may in the same
7 authorization proceedings refund or
8 refinance bonds issued pursuant to this Act
9 and bonds issued pursuant to any other such
10 Texas statute and may combine all said
11 refunding bonds and any other additional
12 new bonds to be issued pursuant thereto into
13 one or more issues or series of bonds, and
14 may provide for the subsequent issuance of
15 additional parity bonds, or subordinate
16 lien bonds, or other types of bonds. All
17 refunding bonds shall be issued and
18 delivered under such terms and conditions
19 as may be set forth in the authorizing
20 proceedings. . . .

21 Revised Law

22 Sec. 1061.209. BONDS EXEMPT FROM TAXATION. The following
23 are exempt from taxation by this state or a political subdivision:

- 24 (1) bonds issued or assumed by the district;
25 (2) the transfer and issuance of the bonds; and
26 (3) profits made in the sale of the bonds. (Acts 65th
27 Leg., R.S., Ch. 112, Sec. 23 (part).)

28 Source Law

29 Sec. 23. . . . [the district] . . . any bonds
30 issued or assumed by it, their transfer and issuance,
31 and any profits made in the sale of them are at all
32 times free from taxation by the state or any
33 municipality or political subdivision.

34 Revisor's Note

35 Section 23, Chapter 112, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to a
37 "municipality or political subdivision." The revised
38 law omits "municipality" for the reason stated in
39 Revisor's Note (2) to Section 1061.102.

40 Revisor's Note
41 (End of Subchapter)

42 (1) Sections 9(d) and 10, Chapter 112, Acts of
43 the 65th Legislature, Regular Session, 1977, provide
44 that district bonds must be submitted to and approved
45 by the attorney general and provide for registration

1 of the bonds by the comptroller. Sections 9(d) and 10
2 also provide that after approval and registration the
3 bonds are "incontestable." The revised law omits
4 those provisions as superseded by Chapter 1202,
5 Government Code (enacted as Article 3, Chapter 53,
6 Acts of the 70th Legislature, 2nd Called Session,
7 1987). Section 1202.003(a), Government Code, requires
8 bonds to be submitted to the attorney general. Section
9 1202.003(b), Government Code, provides for approval of
10 the bonds by the attorney general and requires the
11 attorney general to submit the approved bonds to the
12 comptroller for registration. Section 1202.005,
13 Government Code, requires registration of the bonds by
14 the comptroller. Section 1202.006, Government Code,
15 provides that after approval and registration the
16 bonds are incontestable and binding obligations.
17 Chapter 1202, Government Code, applies to district
18 bonds by application of Section 1202.001, Government
19 Code. The omitted law reads:

20 [Sec. 9]

21 (d) . . . The bonds and the
22 appropriate proceedings authorizing their
23 issuance shall be submitted to the Attorney
24 General of the State of Texas for
25 examination. If he finds that such bonds
26 have been authorized in accordance with
27 law, he shall approve them, and thereupon
28 they shall be registered by the Comptroller
29 of Public Accounts of the State of Texas,
30 and after such approval and registration
31 such bond shall be incontestable in any
32 court or other forum for any reason and
33 shall be valid and binding obligations in
34 accordance with their terms for all
35 purposes.

36 Sec. 10. . . . The revenue bonds and
37 the appropriate proceedings authorizing
38 their issuance shall be submitted to the
39 Attorney General of the State of Texas for
40 examination. If he finds that such bonds
41 have been authorized in accordance with
42 law, he shall approve them and thereupon
43 shall be registered by the Comptroller of
44 Public Accounts of the State of Texas, and
45 after such approval and registration such
46 bonds shall be incontestable in any court or
47 other forum, and for any reason, and shall
48 be valid and binding obligations in
49 accordance with their terms for all

1 purposes.

2 (2) Section 15, Chapter 112, Acts of the 65th
3 Legislature, Regular Session, 1977, provides that
4 district bonds are legal and authorized investments
5 for certain entities. The revised law omits the
6 provision as unnecessary. As to several of the
7 entities listed, Section 15 has been superseded and
8 impliedly repealed. Investments in securities by
9 banks are regulated by Section 34.101, Finance Code
10 (enacted in 1995 as Section 5.101, Texas Banking Act
11 (Article 342-5.101, Vernon's Texas Civil Statutes)).
12 Investments in securities by savings banks are
13 regulated by Section 93.001(c)(10), Finance Code
14 (enacted in 1993 as Section 7.15(10), Texas Savings
15 Bank Act (Article 489e, Vernon's Texas Civil
16 Statutes)). Investments in securities by trust
17 companies are regulated by Section 184.101, Finance
18 Code (enacted in 1997 as Section 5.101, Texas Trust
19 Company Act (Article 342a-5.101, Vernon's Texas Civil
20 Statutes)). Investments in securities by savings and
21 loan associations are regulated by Sections 63.002 and
22 64.001, Finance Code. As to the remaining entities
23 listed, Section 15 is superseded by Section 1201.041,
24 Government Code (enacted as Section 9, Bond Procedures
25 Act of 1981 (Article 717k-6, Vernon's Texas Civil
26 Statutes)). Section 1201.041, Government Code,
27 applies to district bonds by application of Section
28 1201.002, Government Code. The revised law omits the
29 reference to public funds of this state because it has
30 been superseded by Section 404.024, Government Code
31 (enacted in 1985 as Section 2.014, Treasury Act
32 (Article 4393-1, Vernon's Texas Civil Statutes)),
33 which governs the investment of state funds. Section
34 404.024(b)(10), Government Code, authorizes the
35 investment of state funds in obligations of political

1 subdivisions, including hospital districts. The
2 omitted law reads:

3 Sec. 15. All bonds issued and assumed
4 by the district are legal and authorized
5 investments of banks, savings banks, trust
6 companies, building and loan associations,
7 savings and loan associations, insurance
8 companies, trustees, and sinking funds of
9 cities, towns, villages, counties, school
10 districts, or other political subdivisions
11 of the state, and for all public funds of
12 the state or its agencies including the
13 state Permanent School Fund. . . .

14 (3) Section 15, Chapter 112, Acts of the 65th
15 Legislature, Regular Session, 1977, effectively
16 provides that district bonds may secure deposits of
17 public funds of this state or political subdivisions
18 of this state. The revised law omits the provision as
19 impliedly repealed by Section 404.0221, Government
20 Code (enacted in 1995), which lists eligible
21 collateral for deposits of state funds by the
22 comptroller, and by Chapter 2257, Government Code
23 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
24 Statutes), which governs eligible collateral for
25 deposits of funds of other public agencies, including
26 political subdivisions. The omitted law reads:

27 Sec. 15. . . . Such bonds and
28 indebtedness are eligible to secure deposit
29 of public funds of the state, cities, towns,
30 villages, counties, school districts, or
31 other political subdivisions or
32 corporations of the state and are lawful and
33 sufficient security for deposits to the
34 extent of their value when accompanied by
35 all their unmatured coupons.

36 [Sections 1061.210-1061.250 reserved for expansion]

37 SUBCHAPTER F. TAXES

38 Revised Law

39 Sec. 1061.251. IMPOSITION OF AD VALOREM TAX. (a) The board
40 shall impose a tax on all property in the district subject to
41 district taxation.

42 (b) The board shall impose the tax to:

43 (1) pay the indebtedness issued or assumed by the

1 district;

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

4 (3) make improvements and additions to the hospital
5 system; and

6 (4) acquire necessary sites for the improvements and
7 additions by purchase, lease, or condemnation.

8 (c) The board may not impose a tax to pay the principal of or
9 interest on revenue bonds. (Acts 65th Leg., R.S., Ch. 112, Secs.
10 4(b) (part), 10 (part), 14(a) (part).)

11 Source Law

12 [Sec. 4]

13 (b) . . . [annual taxes] . . . on all taxable
14 property situated within the district, subject to
15 hospital district taxation,

16 Sec. 10. . . . To the extent that such excess
17 revenues and income are not available at any time to
18 make payment of all operation and maintenance expenses
19 of the district, ad valorem taxes of the district shall
20 be used to make such payment, and

21 Sec. 14. (a) The board of directors shall
22 annually levy a tax . . . for the purpose of:

23 (1) paying the indebtedness issued or assumed by
24 the hospital district, but no tax may be levied to pay
25 principal or interest on revenue bonds;

26 (2) providing for the operation and maintenance
27 of the hospital district and hospital system; and

28 (3) making further improvements and additions
29 to the hospital system and acquiring necessary sites
30 for them by purchase, lease, or condemnation.

31 Revised Law

32 Sec. 1061.252. TAX RATE. (a) The board may impose the tax
33 at a rate not to exceed 75 cents on each \$100 valuation of taxable
34 property in the district.

35 (b) In setting the tax rate, the board shall consider the
36 income of the district from sources other than taxation. (Acts 65th
37 Leg., R.S., Ch. 112, Secs. 4(b) (part), 14(a) (part), (b) (part).)

38 Source Law

39 [Sec. 4]

40 (b) [At the election there shall be submitted to
41 the electors of the area of the proposed district the
42 proposition of whether the hospital district shall be
43 created with authority to have transferred to it the
44 existing hospital property, equipment, and facilities
45 of Midland Memorial Hospital which are owned by
46 Midland Memorial Foundation and to levy annual taxes]

1 at a rate not to exceed 75¢ on the \$100 valuation on all
2 taxable property situated within the district, subject
3 to hospital district taxation,

4 Sec. 14. (a) [The board of directors shall
5 annually levy a tax] not to exceed the amount permitted
6 by this Act

7 (b) In setting the tax rate, the board shall
8 take into consideration the income of the district
9 from sources other than taxation. . . .

10 Revisor's Note

11 Section 14(b), Chapter 112, Acts of the 65th
12 Legislature, Regular Session, 1977, requires the board
13 to levy the tax and to certify the tax rate to the tax
14 assessor-collector. The revised law omits that
15 provision because Section 26.05(a), Tax Code, requires
16 the governing body of a taxing unit to adopt a tax rate
17 for the current tax year and to notify the tax assessor
18 of that rate. The omitted law reads:

19 (b) . . . On determination of the
20 amount of tax required to be levied, the
21 board shall make the levy and certify it to
22 the tax assessor-collector.

23 Revised Law

24 Sec. 1061.253. USE OF AD VALOREM TAXES FOR OPERATION AND
25 MAINTENANCE EXPENSES. (a) If the board issues revenue bonds under
26 Section 1061.204, the board:

27 (1) shall use ad valorem taxes to pay the district's
28 operation and maintenance expenses to the extent that the revenue
29 and income from the district's hospital facilities are not
30 sufficient after providing for the payment of those bonds; and

31 (2) may pledge the proceeds of the ad valorem tax for
32 the payment of the district's operation and maintenance expenses in
33 the order authorizing the issuance of the bonds.

34 (b) If the ad valorem tax is pledged, the board shall,
35 during each year during which the revenue bonds are outstanding,
36 compute a tax rate sufficient to pay the operation and maintenance
37 expenses described by Subsection (a)(1).

38 (c) The ad valorem tax shall be imposed on all taxable
39 property in the district for each year the revenue bonds are
40 outstanding. The tax shall be assessed and collected each year and

1 used for the purpose prescribed by this section to the extent
2 required. (Acts 65th Leg., R.S., Ch. 112, Sec. 10 (part).)

3 Source Law

4 Sec. 10. [The board of directors is authorized
5 to issue revenue bonds In preparing the budget,
6 the board of directors may take into consideration the
7 estimated excess revenues and income from hospital
8 facilities that will be available for paying operation
9 and maintenance expenses after providing with said
10 bonds. To the extent that such excess revenues and
11 income are not available at any time to make payment of
12 all operation and maintenance expenses of the
13 district, ad valorem taxes of the district shall be
14 used to make such payment, and] the proceeds of an
15 annual ad valorem tax may be pledged for such payment
16 in the order authorizing the issuance of said bonds.
17 If such annual ad valorem tax is thus pledged, it shall
18 be the duty of the board of directors during each year
19 while any of said bonds are outstanding to compute and
20 ascertain a rate and amount of ad valorem tax which
21 will be sufficient to raise and produce the money
22 required to make the aforesaid payment of operation
23 and maintenance expenses to the extent required;
24 Said rate and amount of ad valorem tax shall be
25 levied and ordered to be levied against all taxable
26 property in the district, for each year while any of
27 said bonds are outstanding; said tax shall be assessed
28 and collected each such year and used for such purpose
29 to the extent so required. Said rate and amount of ad
30 valorem tax shall be levied and ordered to be levied
31 against all taxable property within the district
32 subject to district taxation for each year while any of
33 said bonds are outstanding; said tax shall be assessed
34 and collected each such year and used for such purposes
35 to the extent so required. . . .

36 Revisor's Note

37 Section 10, Chapter 112, Acts of the 65th
38 Legislature, Regular Session, 1977, prescribes the
39 method for computing the tax rate. The revised law
40 omits the provision because it was repealed by Section
41 6(b), Chapter 841, Acts of the 66th Legislature,
42 Regular Session, 1979, which repealed all "general,
43 local, and special laws" that conflicted with that
44 act. The 1979 act enacted the Property Tax Code (Title
45 1, Tax Code), a comprehensive, substantive
46 codification of property tax law. Chapter 26, Tax
47 Code, provides the exclusive procedure for setting the
48 ad valorem tax rate by a taxing unit, including a
49 hospital district. The omitted law reads:

50 Sec. 10. . . . [ad valorem tax] . . .

1 said tax shall be based on the latest
2 approved tax rolls of the district, with
3 full allowance being made for tax
4 delinquencies and the cost of tax
5 collection. . . .

6 Revised Law

7 Sec. 1061.254. ASSESSMENT AND COLLECTION BY COUNTY TAX
8 ASSESSOR-COLLECTOR. (a) This section applies unless the board by
9 majority vote elects to have taxes assessed and collected under
10 Section 1061.255 or 1061.256.

11 (b) The tax assessor-collector of Midland County shall
12 assess and collect taxes imposed by the district. (Acts 65th Leg.,
13 R.S., Ch. 112, Secs. 17(a) (part), (b) (part).)

14 Source Law

15 (a) . . . [All taxes of the district shall be
16 assessed and collected . . . as provided in Subsection
17 (b) of this section] unless the directors, by majority
18 vote, elect to have taxes assessed and collected by the
19 district's own tax assessor-collector under Subsection
20 (c) of this section, or by any city, taxing district,
21 or other governmental subdivision under Subsection (d)
22 of this section. . . .

23 (b) Under this subsection, The tax
24 assessor-collector of the county in which the district
25 is situated is required to accomplish the assessment
26 and collection of all taxes levied by and on behalf of
27 the district. . . .

28 Revisor's Note

29 (1) Sections 17(a) and (b), Chapter 112, Acts of
30 the 65th Legislature, Regular Session, 1977, refer to
31 the assessment and collection of district taxes on
32 county tax values. The revised law omits those
33 provisions because they were repealed by Section 6(b),
34 Chapter 841, Acts of the 66th Legislature, Regular
35 Session, 1979. See the revisor's note to Section
36 1061.253. Title 1, Tax Code, provides the exclusive
37 procedures for the appraisal of property for taxation
38 by a taxing unit, including a hospital district. The
39 omitted law reads:

40 (a) . . . All taxes of the district
41 shall be assessed and collected on county
42 tax values as provided in Subsection (b) of
43 this section

44 (b) . . . the district's taxes shall
45 be assessed and collected on county tax
46 values in the same manner as provided by law

1 with relation to county taxes. . . .

2 (2) Section 17(b), Chapter 112, Acts of the 65th
3 Legislature, Regular Session, 1977, provides that the
4 county tax assessor-collector may charge a fee for the
5 assessment and collection of district taxes. The
6 revised law omits that provision because it was
7 repealed by Section 6(b), Chapter 841, Acts of the 66th
8 Legislature, Regular Session, 1979. See the revisor's
9 note to Section 1061.253. Section 6.27(b), Tax Code,
10 provides for the compensation of a county tax
11 assessor-collector assessing and collecting taxes for
12 another taxing unit. The omitted law reads:

13 (b) . . . The assessor-collector of
14 taxes shall charge and deduct from payments
15 to the hospital district an amount as fees
16 for assessing and collecting the taxes,
17 which shall be agreed upon between the
18 parties. The fees shall be deposited in the
19 officers' salary fund of the county and
20 reported as fees of office of the county tax
21 assessor-collector. . . .

22 (3) Section 17(b), Chapter 112, Acts of the 65th
23 Legislature, Regular Session, 1977, provides that
24 interest and penalties on district taxes and discounts
25 are the same as for county taxes. The revised law
26 omits that provision because it was repealed by
27 Section 6(b), Chapter 841, Acts of the 66th
28 Legislature, Regular Session, 1979. See the revisor's
29 note to Section 1061.253. Chapter 33, Tax Code,
30 provides for the assessment of penalties and interest
31 on delinquent taxes, and Section 31.05, Tax Code,
32 provides for discounts on the early payment of taxes.
33 The omitted law reads:

34 (b) . . . Interest and penalties on
35 taxes paid to the hospital district shall be
36 the same as in the case of county taxes.
37 Discounts shall be the same as allowed by
38 the county. . . .

39 (4) Section 17(b), Chapter 112, Acts of the 65th
40 Legislature, Regular Session, 1977, provides that tax
41 revenue shall be deposited in the district's

1 depository. The revised law omits the provision
2 because Section 31.10, Tax Code, requires the tax
3 assessor-collector of a taxing unit to deposit taxes
4 collected in the unit's depository. The omitted law
5 reads:

6 (b) . . . The residue of tax
7 collections after deduction of discounts
8 and fees for assessing and collecting shall
9 be deposited in the district's depository.
10 . . .

11 (5) Section 17(b), Chapter 112, Acts of the 65th
12 Legislature, Regular Session, 1977, provides that the
13 bond of the county tax assessor-collector is security
14 for the performance of district duties unless the
15 board determines that an additional bond is necessary.
16 The revised law omits that provision because it
17 duplicates Section 6.29(b), Tax Code, which authorizes
18 a taxing unit for which the county tax
19 assessor-collector collects a tax to require that
20 collector to post an additional bond. The omitted law
21 reads:

22 (b) . . . The bond of the county tax
23 assessor-collector shall stand as security
24 for the proper performance of his duties as
25 assessor-collector of the district, or, if
26 in the judgment of the board of directors it
27 is necessary, additional bond payable to
28 the district may be required. . . .

29 (6) Section 17(b), Chapter 112, Acts of the 65th
30 Legislature, Regular Session, 1977, states that the
31 tax assessor-collector may act in accordance with
32 state law relating to the assessment, collection, and
33 enforcement of state and county taxes. The revised law
34 omits that provision as unnecessary. The state law
35 relating to the assessment, collection, and
36 enforcement of all ad valorem taxes is Title 1, Tax
37 Code. Section 1.02, Tax Code, requires all taxing
38 units of government to administer the assessment,
39 collection, and enforcement of taxes in conformity

1 with that title. The omitted law reads:

2 (b) . . . In all matters pertaining
3 to the assessment, collection, and
4 enforcement of taxes for the district, the
5 county tax assessor-collector is authorized
6 to act in all respects according to the laws
7 of the state relating to state and county
8 taxes.

9 Revised Law

10 Sec. 1061.255. ASSESSMENT AND COLLECTION BY DISTRICT TAX
11 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
12 assessed and collected by a tax assessor-collector appointed by the
13 board. An election under this subsection must be made by December 1
14 and governs the manner in which taxes are assessed and collected,
15 until changed by a similar resolution.

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

17 (1) reside in the district; and

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

19 (c) The board shall set for the district tax
20 assessor-collector:

21 (1) the term of employment; and

22 (2) compensation. (Acts 65th Leg., R.S., Ch. 112,
23 Secs. 17(a) (part), (c) (part).)

24 Source Law

25 (a) . . . [All taxes of the district shall be
26 assessed and collected . . . as provided in
27 Subsection (b) of this section] unless the
28 directors . . . elect to have taxes assessed and
29 collected by the district's own tax assessor-collector
30 Any such selection may be made prior to
31 December 1 annually and shall govern the manner in
32 which taxes are assessed and collected until changed
33 by a similar resolution.

34 (c) Under this subsection, taxes shall be
35 assessed and collected by a tax assessor-collector
36 appointed by the directors, who shall also fix the
37 terms of his employment, compensation, and . . . the
38 tax assessor-collector shall be residents of the
39 district and own real property subject to hospital
40 district taxation, and

41 Revisor's Note

42 (1) Section 17(c), Chapter 112, Acts of the 65th
43 Legislature, Regular Session, 1977, requires the
44 directors to set a bond amount of not less than \$5,000

1 as security for the district tax assessor-collector.
2 The revised law omits the provision because it was
3 repealed by Section 6(b), Chapter 841, Acts of the 66th
4 Legislature, Regular Session, 1979. See the revisor's
5 note to Section 1061.253. Section 6.29(a), Tax Code,
6 authorizes the governing body of a taxing unit,
7 including a hospital district, to require the unit's
8 tax assessor-collector to post bond without limiting
9 the amount. The omitted law reads:

10 (c) . . . [directors, who shall also
11 fix the] . . . requirement for bond to
12 assure the faithful performance of his
13 duties, but in no event may the bond be for
14 less than \$5,000. . . .

15 (2) Section 17(c), Chapter 112, Acts of the 65th
16 Legislature, Regular Session, 1977, states that the
17 directors shall appoint a board of equalization and
18 establishes the duties of that board and the tax
19 assessor-collector. The revised law omits the
20 reference to a board of equalization because boards of
21 equalization were abolished and their functions and
22 duties transferred to appraisal review boards by the
23 1979 enactment of the Property Tax Code, Title 1, Tax
24 Code (Section 1, Chapter 841, Acts of the 66th
25 Legislature, Regular Session, 1979). The provisions
26 relating to the duties of the tax assessor-collector
27 are omitted because the Tax Code specifies the duties
28 of a tax assessor-collector. The omitted law reads:

29 (c) . . . The directors shall also
30 annually appoint five persons to serve as a
31 board of equalization and shall fix their
32 compensation. Each member of the board
33 and . . . [shall be residents of the
34 district and own real property subject to
35 hospital district taxation, and] each shall
36 have the same duties, including the
37 obligation to execute the oath of office, as
38 required of county officials exercising
39 those powers and duties. . . .

40 (3) Section 17(c), Chapter 112, Acts of the 65th
41 Legislature, Regular Session, 1977, refers to the

1 applicability of Title 122 of the Revised Statutes
2 (Taxation). Before its repeal and recodification,
3 Title 122 was composed of V.A.C.S. Articles
4 7041-7359a. The relevant parts of those provisions
5 were revised in 1979 as the Property Tax Code, Title 1,
6 Tax Code (Section 1, Chapter 841, Acts of the 66th
7 Legislature, Regular Session, 1979). The revised law
8 omits the provision because Title 1 applies to the
9 district on its own terms. The omitted law reads:

10 (c) . . . Except as provided in this
11 Act to the contrary, Title 122, Revised
12 Civil Statutes of Texas, 1925, as amended,
13 applies to the district.

14 Revised Law

15 Sec. 1061.256. ASSESSMENT AND COLLECTION BY TAX
16 ASSESSOR-COLLECTOR OF ANOTHER POLITICAL SUBDIVISION. (a) The
17 board may elect to have all or part of the district's taxes assessed
18 and collected by a political subdivision in which any part of the
19 district is located. An election under this subsection must be made
20 by December 1 and governs the manner in which taxes are assessed and
21 collected, until changed by a similar resolution.

22 (b) The tax assessor or collector of the political
23 subdivision shall assess or collect the appropriate district taxes
24 in accordance with the board's election under Subsection (a) and
25 for the compensation agreed on by the appropriate parties. (Acts
26 65th Leg., R.S., Ch. 112, Secs. 17(a) (part), (d) (part).)

27 Source Law

28 (a) . . . [All taxes of the district shall be
29 assessed and collected on county tax values as
30 provided in Subsection (b) of this section] unless the
31 directors, . . . elect to have taxes assessed and
32 collected [by the district's own tax
33 assessor-collector under Subsection (c) of this
34 section, or] by any city, taxing district, or other
35 governmental subdivision under Subsection (d) of this
36 section. Any such selection may be made prior to
37 December 1 annually and shall govern the manner in
38 which taxes are assessed and collected until changed
39 by a similar resolution.

40 (d) Under this subsection, taxes shall be
41 assessed, equalized, and/or its taxes collected, in
42 whole or in part, by the tax assessors, board of
43 equalization, and/or tax collectors, respectively, of

1 any city, taxing district, or other governmental
2 subdivision in which all or any part of the district is
3 located; . . . for such compensation as shall be
4 agreed upon between the appropriate parties, and
5

6 Revisor's Note

7 (1) Section 17(d), Chapter 112, Acts of the 65th
8 Legislature, Regular Session, 1977, provides that the
9 district may elect to have taxes assessed and
10 collected by any "city, taxing district, or other
11 governmental subdivision." The revised law
12 substitutes for the quoted language "political
13 subdivision" because every city or taxing district is
14 a governmental subdivision, and "political
15 subdivision" is the term more commonly used to refer to
16 a governmental subdivision.

17 (2) Section 17(d), Chapter 112, Acts of the 65th
18 Legislature, Regular Session, 1977, prescribes the
19 manner in which property is appraised, property values
20 are equalized, and district taxes are assessed and
21 collected by a governmental subdivision the district
22 elects to have perform those duties. The revised law
23 omits those provisions because they were repealed by
24 Section 6(b), Chapter 841, Acts of the 66th
25 Legislature, Regular Session, 1979. See the revisor's
26 note to Section 1061.253 and Revisor's Note (2) to
27 Section 1061.255. The omitted law reads:

28 (d) . . . such property may be
29 assessed and the value thereof equalized on
30 the same basis or a different basis than
31 that used by any such governmental
32 subdivision. Such property shall be
33 assessed, the values thereof equalized, and
34 such taxes collected in the manner and . . .
35 [agreed upon] The ad valorem tax
36 law applicable to each such governmental
37 subdivision shall apply to its officials in
38 carrying out such functions for the
39 district.

40 (3) Section 17(d), Chapter 112, Acts of the 65th
41 Legislature, Regular Session, 1977, provides that the
42 duties assumed by the officials of a political

1 subdivision related to the collection and assessment
2 of district taxes are additional duties. The revised
3 law omits the provision because it is superseded by
4 Section 6.23(b), Tax Code, which provides the duties
5 of a tax assessor or collector assessing or collecting
6 taxes for another taxing unit. The omitted law reads:

7 (d) . . . the functions thus assumed
8 by the officials of any such governmental
9 subdivision shall be additional duties
10 pertaining to their offices,
11 respectively. . . .

12 Revisor's Note
13 (End of Subchapter)

14 Section 17(a), Chapter 112, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that the
16 district may impose taxes for the entire year in which
17 the district is established. The revised law omits
18 that provision as executed. The omitted law reads:

19 Sec. 17. (a) The directors shall
20 have the authority to levy taxes for the
21 entire year in which the district is
22 established. . . .

23 Revisor's Note
24 (End of Chapter)

25 (1) Sections 3(b) and 21, Chapter 112, Acts of
26 the 65th Legislature, Regular Session, 1977, provide
27 for the transfer of certain land, buildings,
28 improvements, equipment, funds, and taxes to the
29 district after the district is created. The revised
30 law omits the provisions as executed. The omitted law
31 reads:

32 [Sec. 3]

33 (b) The district authorized to be
34 created shall, on approval of the qualified
35 electors, have transferred to it the title
36 to all land, buildings, improvements,
37 equipment, and other property in any way
38 pertaining to the hospital facilities and
39 system owned by Midland Memorial
40 Foundation. . . . Upon the transfer under
41 this section, the district shall pay a
42 purchase price to the Midland Memorial
43 Foundation which would permit the
44 retirement of any outstanding indebtedness
45 of the Midland Memorial Foundation which is
46 secured by a lien against the hospital.

1 Sec. 21. . . . When the district is
2 established, the county and all towns and
3 cities located in the district shall convey
4 and transfer to the district title to all
5 lands, buildings, improvements, and
6 equipment pertaining to a hospital or
7 hospital system jointly or separately owned
8 by the county or any city or town within the
9 district. Operating funds and reserves for
10 operating expenses which are on hand and
11 funds which have been budgeted for hospital
12 purposes by the county or any city or town
13 in the district for the remainder of the
14 fiscal year in which the district is
15 established shall likewise be transferred
16 to the district, as shall taxes levied for
17 hospital purposes for the current year, and
18 all sinking funds established for payment
19 of indebtedness assumed by the district.

20 (2) Section 24, Chapter 112, Acts of the 65th
21 Legislature, Regular Session, 1977, provides that the
22 act is severable. The revised law omits that provision
23 because it duplicates Section 311.032, Government Code
24 (Code Construction Act), which provides that a
25 provision of a statute is severable from each other
26 provision of the statute that can be given effect. The
27 omitted law reads:

28 Sec. 24. . . . If any provision of
29 this Act is invalid, this fact shall not
30 affect the authorization for the creation
31 of the district or the validity of any other
32 provisions of this Act, and the legislature
33 hereby declares that it would have created
34 the district and enacted the valid
35 provisions of this Act notwithstanding the
36 invalidity of any other provision, and it is
37 intended that this Act shall be severable
38 and shall be construed and applied as if any
39 such invalid or unconstitutional section,
40 provision, clause, or word had not been
41 included herein.

42 (3) Section 25, Chapter 112, Acts of the 65th
43 Legislature, Regular Session, 1977, provides that
44 public notice of enactment of the statutes was
45 provided in a manner that satisfies the requirements
46 of the Texas Constitution. The revised law omits that
47 provision as executed. The omitted law reads:

48 Sec. 25. Proof of publication of the
49 notice required in the enactment of this Act
50 under the provisions of Article IX, Section
51 9 of the Texas Constitution has been made in
52 the manner and form provided by law

1 pertaining to the enactment of local and
2 special laws, and the notice is found
3 sufficient to satisfy this requirement.

4 CHAPTER 1063. MONTGOMERY COUNTY HOSPITAL DISTRICT

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5 CHAPTER 1063. MONTGOMERY COUNTY HOSPITAL DISTRICT
6 SUBCHAPTER A. GENERAL PROVISIONS

7 Revised Law

8 Sec. 1063.001. 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 Montgomery County Hospital
13 District. (New.)

14 Revisor's Note

15 The definitions of "board," "director," and
16 "district" are added to the revised law for drafting
17 convenience and to eliminate frequent, unnecessary
18 repetition of the substance of the definitions.

19 Revised Law

20 Sec. 1063.002. AUTHORITY FOR OPERATION. The Montgomery
21 County Hospital District operates and is administered and financed
22 in accordance with Section 9, Article IX, Texas Constitution, and
23 has the rights, powers, and duties provided by this chapter. (Acts
24 65th Leg., R.S., Ch. 258, Sec. 1 (part).)

25 Source Law

26 Sec. 1. In accordance with the provisions of
27 Article IX, Section 9, of the Texas Constitution, this
28 Act authorizes the creation, administration,
29 maintenance, operation, and financing of a hospital
30 district within this state . . . to be known as
31 "Montgomery County Hospital District" with such
32 rights, powers, and duties as provided in this Act.

33 Revisor's Note

34 Section 1, Chapter 258, Acts of the 65th
35 Legislature, Regular Session, 1977, authorizes the
36 "creation, administration, maintenance, operation,
37 and financing" of the district. The revised law omits

1 "creation" as executed. The revised law omits
2 "maintenance" because, in this context, that term is
3 included in the meaning of "operation."

4 Revised Law

5 Sec. 1063.003. ESSENTIAL PUBLIC FUNCTION. The district
6 performs an essential public function in carrying out the purposes
7 of this chapter. (Acts 65th Leg., R.S., Ch. 258, Sec. 22 (part).)

8 Source Law

9 Sec. 22. In carrying out the purposes of this
10 Act, the district will be performing an essential
11 public function, and

12 Revised Law

13 Sec. 1063.004. DISTRICT TERRITORY. The boundaries of the
14 district are coextensive with the boundaries of Montgomery County,
15 Texas. (Acts 65th Leg., R.S., Ch. 258, Sec. 1 (part).)

16 Source Law

17 Sec. 1. . . . with boundaries coextensive with
18 the boundaries of Montgomery County, Texas,

19 Revised Law

20 Sec. 1063.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
21 OBLIGATION. The support and maintenance of the district may not
22 become a charge against or obligation of this state. (Acts 65th
23 Leg., R.S., Ch. 258, Sec. 21 (part).)

24 Source Law

25 Sec. 21. The support and maintenance of the
26 hospital district shall never become a charge against
27 or obligation of the State of Texas

28 Revised Law

29 Sec. 1063.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
30 The legislature may not make a direct appropriation for the
31 construction, maintenance, or improvement of a district facility.
32 (Acts 65th Leg., R.S., Ch. 258, Sec. 21 (part).)

33 Source Law

34 Sec. 21. . . . nor shall any direct
35 appropriation be made by the legislature for the
36 construction, maintenance, or improvement of any of
37 the facilities of the district.

1 Revisor's Note
2 (End of Subchapter)

3 Section 3, Chapter 258, Acts of the 65th
4 Legislature, Regular Session, 1977, provides
5 procedures for holding an election on the creation of
6 the district, the imposition of an ad valorem tax, and
7 the assumption of certain debt. Section 9, Chapter
8 258, Acts of the 65th Legislature, Regular Session,
9 1977, provides for the election to include a
10 proposition authorizing the district to issue bonds.
11 Because the election creating the district has been
12 held, the revised law omits those provisions as
13 executed. The omitted law reads:

14 Sec. 3. (a) The district shall not
15 be created nor shall any tax in the district
16 be authorized unless and until the creation
17 and tax are approved by a majority of the
18 electors of the area of the proposed
19 district voting at an election called for
20 that purpose. The election may be called by
21 the commissioners court on presentation of
22 a petition therefor signed by at least 50
23 electors of the area of the proposed
24 district. The election shall be held not
25 less than 35 nor more than 60 days from the
26 date the election is ordered. The order
27 calling the election shall specify the
28 date, place or places of holding the
29 election, the form of ballot, and the
30 presiding judge and alternate judge for
31 each voting place and shall provide for
32 clerks as in county elections. Notice of
33 election shall be given by publishing a
34 substantial copy of the election order in a
35 newspaper of general circulation in the
36 county once a week for two consecutive
37 weeks, the first publication to appear at
38 least 30 days prior to the date established
39 for the election. The failure of the
40 election shall not operate to prohibit the
41 calling and holding of subsequent elections
42 for the same purpose; provided no district
43 confirmation election shall be held within
44 12 months of any preceding election for the
45 same purpose. If the district is not
46 confirmed at an election held within 60
47 months from the effective date of this Act,
48 this Act is repealed.

49 (b) At the election there shall be
50 submitted to the electors of the area of the
51 proposed district the proposition of
52 whether the hospital district shall be
53 created with authority to levy annual taxes
54 . . . for the purpose of meeting the
55 requirements of the district's bonds,
56 indebtedness assumed by it, and its

1 maintenance and operating expenses, and a
2 majority of the electors of the area of the
3 proposed district voting at the election in
4 favor of the proposition shall be
5 sufficient for its adoption.

6 (c) The form of ballot used at the
7 election on the creation of the district
8 shall be in conformity with Section 61,
9 Texas Election Code, as amended (Article
10 6.05, Vernon's Texas Election Code), so that
11 ballots may be cast on the following
12 proposition: "The creation of Montgomery
13 County Hospital District, providing for the
14 levy of a tax not to exceed 75 cents on each
15 \$100 of valuation on all taxable property
16 situated within the hospital district,
17 subject to hospital district taxation, and
18 providing for the assumption by the
19 district of all outstanding bonds and
20 indebtedness previously issued or incurred
21 for hospital purposes within the boundaries
22 of the proposed hospital district by the
23 county and any city or town therein."

24 Sec. 9. A petition for an election to
25 create the hospital district, as provided
26 in Section 3 of this Act, may incorporate a
27 request that a separate proposition be
28 submitted at such election as to whether the
29 board of directors of the district, in the
30 event same is created, shall be authorized
31 to issue bonds for the purposes specified in
32 Section 8 of this Act. Such petition shall
33 specify the maximum amount of bonds to be
34 issued and their maximum maturity, and same
35 shall be included in the proposition
36 submitted at the election.

37 [Sections 1063.007-1063.050 reserved for expansion]

38 SUBCHAPTER B. DISTRICT ADMINISTRATION

39 Revised Law

40 Sec. 1063.051. BOARD ELECTION; TERM. (a) The board
41 consists of seven directors elected as follows:

42 (1) one director elected from each county
43 commissioners precinct; and

44 (2) three directors elected from the district at large
45 by position.

46 (b) A district voter may vote on the directors to be elected
47 at large and on the director to be elected from the precinct in
48 which the voter resides.

49 (c) An election shall be held on the uniform election date
50 in May of each even-numbered year to elect the appropriate number of
51 directors.

52 (d) Directors serve staggered four-year terms that expire

1 on the second Tuesday in June. (Acts 65th Leg., R.S., Ch. 258, Secs.
2 4(a) (part), (c) (part); Acts 72nd Leg., R.S., Ch. 511, Sec. 6.)

3 Source Law

4 [Acts 65th Leg., R.S., Ch. 258]

5 Sec. 4. (a) The district is governed by a board
6 of seven directors. Three of the directors shall be
7 elected at large from the entire district, and the
8 remaining four directors each shall be elected from a
9 different commissioner's precinct in the district, and
10 Candidates to represent the district at large
11 shall run by position. A qualified elector is entitled
12 to vote for the directors to be elected at large and
13 for the director to be elected from the precinct in
14 which the elector resides. Directors shall serve for
15 terms of four years expiring on the second Tuesday in
16 June. . . .

17 (c) A regular election of directors shall be
18 held on the first Saturday in May of each even-numbered
19 year, and

20 [Acts 72nd Leg., R.S., Ch. 511]

21 Sec. 6. (a) The election of the board of
22 directors scheduled before the effective date of this
23 Act to be held in May 1992 shall be held, and the
24 directors elected at that election shall serve
25 two-year terms.

26 (b) The election of the board of directors
27 scheduled before the effective date of this Act to be
28 held in May 1993 shall be held, and the directors
29 elected at that election shall serve until the
30 directors elected in May 1996 take office.

31 (c) The directors elected at the elections to be
32 held in May 1994 and May 1996 shall serve four-year
33 terms.

34 Revisor's Note

35 (1) Section 4(a), Chapter 258, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to "a
37 qualified elector." Throughout this chapter, the
38 revised law omits "qualified" as unnecessary in this
39 context because Chapter 11, Election Code, governs
40 eligibility to vote in an election in this state and
41 allows only "qualified" voters who are residents of
42 the territory covered by the election to vote in an
43 election. Throughout this chapter, the revised law
44 substitutes "voter" for "elector" because the former
45 is the term used in the Election Code.

46 (2) Section 4(c), Chapter 258, Acts of the 65th
47 Legislature, Regular Session, 1977, was amended in
48 1991 to require board elections to be held on the

1 "first Saturday in May." From 1987 to 2003, Section
2 41.001, Election Code, provided for a uniform election
3 date for all political subdivisions on the first
4 Saturday in May. In Chapter 1315, Acts of the 78th
5 Legislature, Regular Session, 2003, the legislature
6 amended Section 41.001 by moving the uniform election
7 date in May to the third Saturday. In Chapter 1, Acts
8 of the 78th Legislature, 3rd Called Session, 2003, the
9 legislature amended Section 41.001 by moving the
10 uniform election date in May back to the first
11 Saturday. In Chapter 471, Acts of the 79th
12 Legislature, Regular Session, 2005, the legislature
13 amended Section 41.001 by moving the uniform election
14 date in May to the second Saturday. The revised law
15 substitutes "uniform election date in May" for "first
16 Saturday in May" to reflect these changes while
17 preserving as closely as possible the legislative
18 intent expressed in the 1991 amendment to Section 4(c)
19 that the election be held on the first Saturday in May,
20 which was then the uniform election date in May.

21 (3) Section 6, Chapter 511, Acts of the 72nd
22 Legislature, Regular Session, 1991, prescribes the
23 procedure for staggering the terms of the directors
24 first elected under that act. The revised law revises
25 the provision specifying staggered terms but omits the
26 provision relating to which year the initial terms
27 expire as executed.

28 Revised Law

29 Sec. 1063.052. QUALIFICATIONS FOR OFFICE. (a) A person may
30 not be elected or appointed as a director unless the person:

31 (1) is more than 21 years of age at the time of the
32 appointment or election;

33 (2) is a resident of the district; and

34 (3) is a qualified voter.

1 (b) A director who represents a county commissioners
2 precinct must be a resident of that precinct.

3 (c) A person may not be elected or appointed as a director if
4 the person holds another appointed or elected public office of
5 honor, trust, or profit.

6 (d) A person who holds another public office of honor,
7 trust, or profit and seeks to be appointed or elected as a director
8 automatically vacates the first office. (Acts 65th Leg., R.S., Ch.
9 258, Sec. 4(a) (part).)

10 Source Law

11 (a) . . . each shall be a resident of the
12 precinct he represents. . . . No person may be
13 appointed or elected as a member of the board of
14 directors of the hospital district unless he is a
15 resident of the district and a qualified elector and
16 unless at the time of such election or appointment he
17 shall be more than 21 years of age. No person may be
18 appointed or elected as a director of the hospital
19 district if he holds another appointed or elected
20 public office of honor, trust, or profit. A person
21 holding another public office of honor, trust, or
22 profit who seeks to be appointed or elected a director
23 automatically vacates the first office. . . .

24 Revised Law

25 Sec. 1063.053. BALLOT PETITION. A person who wants to have
26 the person's name printed on the ballot as a candidate for director
27 must file with the board secretary a petition requesting that
28 action. The petition must be:

- 29 (1) signed by at least 10 registered voters; and
30 (2) filed at least 25 days before the date of the
31 election. (Acts 65th Leg., R.S., Ch. 258, Sec. 4(c) (part).)

32 Source Law

33 (c) . . . Any person desiring his name to be
34 printed on the ballot as a candidate for director shall
35 file a petition, signed by not less than 10 legally
36 qualified electors asking that such name be printed on
37 the ballot, with the secretary of the board of
38 directors of the district. Such petitions shall be
39 filed with such secretary at least 25 days prior to the
40 date of election.

41 Revisor's Note

42 Section 4(c), Chapter 258, Acts of the 65th
43 Legislature, Regular Session, 1977, refers to "legally
44 qualified electors" in the district. Throughout this

1 chapter, the revised law substitutes "voters" for
2 "electors" because the former is the term used in the
3 Election Code. The revised law substitutes
4 "registered" for "legally qualified" because in the
5 context of eligibility to sign a petition, Section
6 277.0021, Election Code, provides that "qualified
7 voter" means a "registered voter."

8 Revised Law

9 Sec. 1063.054. NOTICE OF ELECTION. At least 10 days before
10 the date of a regular election of directors, notice of the election
11 shall be published one time in a newspaper of general circulation in
12 Montgomery County. (Acts 65th Leg., R.S., Ch. 258, Sec. 4(c)
13 (part).)

14 Source Law

15 (c) [A regular election of directors] . . .
16 notice of such election shall be published in a
17 newspaper of general circulation in the county one
18 time at least 10 days prior to the date of
19 election. . . .

20 Revisor's Note

21 Section 4(c), Chapter 258, Acts of the 65th
22 Legislature, Regular Session, 1977, requires notice of
23 a directors' election to be published in "the county."
24 Throughout this chapter, the revised law substitutes
25 "Montgomery County" for the quoted language because
26 Montgomery County is the county in which the district
27 is located.

28 Revised Law

29 Sec. 1063.055. RUNOFF ELECTION. (a) If no candidate for a
30 particular director position at a regular directors' election
31 receives a majority of the votes of the voters voting in that race,
32 the board shall order a runoff election.

33 (b) At least seven days before the date of a runoff
34 election, the board shall publish notice of the election one time in
35 a newspaper or newspapers that individually or collectively have
36 general circulation in the area of the runoff election.

1 (c) Of the names printed on the ballot at a runoff election,
2 the name of the candidate who received the higher number of votes at
3 the general election of directors must be printed first on the
4 ballot. (Acts 65th Leg., R.S., Ch. 258, Sec. 4(d) (part).)

5 Source Law

6 (d) If no candidate for director from a
7 particular commissioner's precinct or no candidate for
8 a district at-large position receives a majority of
9 the votes of the qualified voters voting in that race
10 at the regular election of directors, the board shall
11 order a runoff election . . . The board shall publish
12 notice of the runoff election in a newspaper or
13 newspapers that individually or collectively provide
14 general circulation in the area of the runoff election
15 one time at least seven days before the date of the
16 runoff election. Of the names printed on the ballot at
17 the runoff election, the name of the candidate who
18 received the higher number of votes at the regular
19 election shall be printed first on the ballot. . . .

20 Revisor's Note

21 Section 4(d), Chapter 258, Acts of the 65th
22 Legislature, Regular Session, 1977, provides
23 procedures for a runoff election. The revised law
24 omits the provisions as superseded by the 1985
25 enactment of the Election Code, applicable to the
26 district under Section 1.002, Election Code. Section
27 2.023, Election Code, governs which candidates for
28 office will participate in a runoff election.
29 Sections 145.095 and 145.096, Election Code, govern
30 the procedures to be followed if a candidate for a
31 runoff election dies or withdraws from the election.
32 The omitted law reads:

33 (d) . . . [the board shall order a
34 runoff election] between the two candidates
35 from the precinct or from the at-large
36 position who received the highest number of
37 votes in that race at the regular election.
38 . . . If before the date of the runoff
39 election a candidate who is eligible to
40 participate in the runoff dies or files a
41 written request with the secretary of the
42 board to have his name omitted from the
43 ballot at the runoff election, the other
44 candidate eligible to participate in the
45 runoff election is considered elected and
46 the runoff election shall be canceled by
47 order of the board.

1 Revised Law

2 Sec. 1063.056. BOARD VACANCY. (a) If a vacancy occurs in
3 the office of director, the remaining directors shall appoint a
4 director for the unexpired term.

5 (b) If the number of directors is reduced to fewer than four
6 for any reason, the remaining directors shall immediately call a
7 special election to fill the vacancies. If the remaining directors
8 do not call the election, a district court, on application of a
9 district voter or taxpayer, may order the directors to hold the
10 election. (Acts 65th Leg., R.S., Ch. 258, Sec. 4(b) (part).)

11 Source Law

12 (b) . . . All vacancies in the office of
13 director shall be filled for the unexpired term by
14 appointment by the remainder of the board of
15 directors. In the event the number of directors shall
16 be reduced to less than four for any reason, the
17 remaining directors shall immediately call a special
18 election to fill said vacancies, and upon failure to do
19 so a district court may, upon application of any voter
20 or taxpayer of the district, issue a mandate requiring
21 that such election be ordered by the remaining
22 directors.

23 Revisor's Note

24 Section 4(b), Chapter 258, Acts of the 65th
25 Legislature, Regular Session, 1977, provides that if
26 there are fewer than four directors, a district court
27 may "issue a mandate requiring that such election [to
28 fill vacancies in directors' offices] be ordered by the
29 remaining directors." The revised law substitutes
30 "order the directors to hold the election" for the
31 quoted language because a mandate requiring directors
32 to order an election is necessarily an order for
33 directors to hold the election. See generally Titles 1
34 and 4 through 7, Election Code, providing that the
35 authority ordering an election is the authority
36 responsible for holding the election.

37 Revised Law

38 Sec. 1063.057. OFFICERS. The board shall elect from among
39 its members a presiding officer, assistant presiding officer,

1 treasurer, and secretary. (Acts 65th Leg., R.S., Ch. 258, Sec.
2 4(b) (part).)

3 Source Law

4 (b) The board of directors shall organize by
5 electing from among its membership a chairman,
6 vice-chairman, treasurer, and secretary. . . .

7 Revisor's Note

8 Section 4(b), Chapter 258, Acts of the 65th
9 Legislature, Regular Session, 1977, refers to a
10 "chairman" and a "vice-chairman." Throughout this
11 chapter, the revised law substitutes "presiding
12 officer" and "assistant presiding officer,"
13 respectively, for those terms because, in context, the
14 terms have the same meaning and "presiding officer" is
15 more commonly used and is gender neutral.

16 Revised Law

17 Sec. 1063.058. COMPENSATION. A director serves without
18 compensation. (Acts 65th Leg., R.S., Ch. 258, Sec. 4(a) (part).)

19 Source Law

20 (a) . . . Each member of the board of directors
21 shall serve without compensation and

22 Revised Law

23 Sec. 1063.059. BOND; RECORD OF BOND. (a) Each director
24 shall execute a good and sufficient 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.

28 (b) Each director's bond shall be deposited with the
29 district's depository bank for safekeeping. (Acts 65th Leg., R.S.,
30 Ch. 258, Sec. 4(a) (part).)

31 Source Law

32 (a) . . . [Each member of the board of
33 directors] . . . shall execute a good and sufficient
34 bond for \$1,000 payable to the district conditioned
35 upon the faithful performance of his duties, and the
36 bonds shall be deposited with the depository bank of
37 the district for safekeeping.

1 Revisor's Note

2 Section 4(a), Chapter 258, Acts of the 65th
3 Legislature, Regular Session, 1977, requires each
4 director to take the constitutional oath of office.
5 The revised law omits that provision because Section
6 1, Article XVI, Texas Constitution, requires all
7 officers to take the oath or affirmation before
8 assuming office. The omitted law reads:

9 (a) . . . [Each member of the board
10 of directors] . . . shall qualify by
11 executing the constitutional oath of office
12 and

13 Revised Law

14 Sec. 1063.060. VOTING REQUIREMENT. A concurrence of a
15 majority of the directors present is sufficient in any matter
16 relating to district business. (Acts 65th Leg., R.S., Ch. 258, Sec.
17 4(b) (part).)

18 Source Law

19 (b) . . . a concurrence of a majority of the
20 directors present is sufficient in all matters
21 pertaining to the business of the district. . . .

22 Revisor's Note

23 Section 4(b), Chapter 258, Acts of the 65th
24 Legislature, Regular Session, 1977, provides that four
25 directors constitute a quorum. The revised law omits
26 that provision because it duplicates Section 311.013,
27 Government Code (Code Construction Act), which
28 provides that a quorum of a public body is a majority
29 of the number of members fixed by statute. The omitted
30 law reads:

31 (b) . . . Any four members of the
32 board of directors shall constitute a
33 quorum, and

34 Revised Law

35 Sec. 1063.061. CALLING MEETINGS. The presiding officer or
36 any four directors may call a board meeting. (Acts 65th Leg., R.S.,
37 Ch. 258, Sec. 4(b) (part).)

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Source Law

(b) . . . A meeting of the board of directors may be called by the chairman or any four directors. . . .

Revised Law

Sec. 1063.062. CHIEF ADMINISTRATIVE OFFICER; ASSISTANT ADMINISTRATOR. (a) The board shall appoint a qualified person as the district's chief administrative officer. That officer shall be known as the district president or by another title selected by the board.

(b) The board may appoint one or more assistant administrators. An assistant administrator shall be known as the district vice president or by another title selected by the board.

(c) The chief administrative officer and any assistant administrator serve at the will of the board and are entitled to the compensation determined by the board. (Acts 65th Leg., R.S., Ch. 258, Sec. 5(a) (part).)

Source Law

(a) . . . The board of directors shall appoint a qualified person as the chief administrative officer of the district to be known as the president of the hospital district or by another title selected by the board. The board may appoint assistants to the chief administrative officer to be known as vice-presidents of the hospital district or by another title selected by the board. The chief administrative officer and any assistant shall serve at the will of the board and shall receive such compensation as may be fixed by the board. . . .

Revised Law

Sec. 1063.063. GENERAL DUTIES OF CHIEF ADMINISTRATIVE OFFICER. Subject to the limitations prescribed by the board, the chief administrative officer shall:

- (1) supervise the work and activities of the district;
- and
- (2) direct the affairs of the district. (Acts 65th Leg., R.S., Ch. 258, Sec. 5(a) (part).)

Source Law

(a) . . . The chief administrative officer shall supervise all the work and activities of the district and shall have general direction of the affairs of the district, subject to limitations

1 prescribed by the board. . . .

2 Revised Law

3 Sec. 1063.064. APPOINTMENT OF STAFF AND EMPLOYEES. (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 warranted.

7 (b) The district may employ fiscal agents, accountants,
8 architects, and attorneys the board considers proper.

9 (c) The board may delegate to the chief administrative
10 officer the authority to hire district employees, including
11 technicians and nurses. (Acts 65th Leg., R.S., Ch. 258, Secs. 5(a)
12 (part), 17.)

13 Source Law

14 Sec. 5. (a) . . . The board of directors shall
15 have the authority to appoint to the staff such doctors
16 as necessary for the efficient operation of the
17 district and may provide for temporary appointments to
18 the staff if warranted by circumstances. The board may
19 delegate to the chief administrative officer the
20 authority to employ technicians, nurses, and employees
21 of the district. . . .

22 Sec. 17. The district may employ fiscal agents,
23 accountants, architects, and attorneys as the board
24 may consider proper.

25 Revised Law

26 Sec. 1063.065. RETIREMENT BENEFITS. The board may provide
27 retirement benefits for district employees by:

28 (1) establishing or administering a retirement
29 program; or

30 (2) participating in:

31 (A) the Texas County and District Retirement
32 System; or

33 (B) another statewide retirement system in which
34 the district is eligible to participate. (Acts 65th Leg., R.S., Ch.
35 258, Sec. 6.)

36 Source Law

37 Sec. 6. The board of directors may provide
38 retirement benefits for employees of the hospital
39 district. The board may provide the benefits by
40 establishing or administering a retirement program or
41 by electing to participate in the Texas County and
42 District Retirement System or in any other statewide

1 retirement system in which the district is eligible to
2 participate.

3 [Sections 1063.066-1063.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Revised Law

6 Sec. 1063.101. DISTRICT RESPONSIBILITY. The district has
7 full responsibility for providing medical and hospital care for the
8 district's needy inhabitants. (Acts 65th Leg., R.S., Ch. 258, Sec.
9 20 (part).)

10 Source Law

11 Sec. 20. . . . The hospital district shall
12 assume full responsibility for the furnishing of
13 medical and hospital care for its needy
14 inhabitants. . . .

15 Revisor's Note

16 Section 20, Chapter 258, Acts of the 65th
17 Legislature, Regular Session, 1977, provides that the
18 district "shall assume" full responsibility for
19 providing medical and hospital care for the district's
20 needy inhabitants. The revised law substitutes "has"
21 for the quoted language because the duty to assume the
22 responsibility is executed.

23 Revised Law

24 Sec. 1063.102. RESTRICTION ON POLITICAL SUBDIVISION
25 TAXATION AND DEBT. A political subdivision located wholly or
26 partly within the district may not impose a tax or issue bonds or
27 other obligations for hospital or health care purposes or to
28 provide medical care for district residents. (Acts 65th Leg.,
29 R.S., Ch. 258, Sec. 20 (part).)

30 Source Law

31 Sec. 20. After creation of the hospital
32 district, no county, municipality, or political
33 subdivision wholly or partly within the boundaries of
34 the district shall have the power to levy taxes or
35 issue bonds or other obligations for hospital or
36 health care purposes or for providing medical care for
37 the residents of the district. . . .

38 Revisor's Note

39 (1) Section 20, Chapter 258, Acts of the 65th
40 Legislature, Regular Session, 1977, provides that

1 "[a]fter creation of the hospital district," certain
2 political subdivisions may not levy taxes or issue
3 bonds. The revised law omits the quoted language as
4 executed. In addition, throughout this chapter, the
5 revised law substitutes "impose" for "levy" because,
6 in this context, the terms are synonymous and the
7 former is more commonly used.

8 (2) Section 20, Chapter 258, Acts of the 65th
9 Legislature, Regular Session, 1977, refers to a
10 "county, municipality, or political subdivision." The
11 revised law omits the references to "municipality" and
12 "county" because "municipality" and "county" are
13 included in the meaning of "political subdivision."

14 Revised Law

15 Sec. 1063.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
16 The board shall manage, control, and administer the health care or
17 hospital system and the district's money and resources. (Acts 65th
18 Leg., R.S., Ch. 258, Sec. 5(a) (part).)

19 Source Law

20 Sec. 5. (a) The board of directors shall
21 manage, control, and administer the health care or
22 hospital system and all funds and resources of the
23 district, but

24 Revised Law

25 Sec. 1063.104. HEALTH CARE OR HOSPITAL SYSTEM. (a) The
26 district shall provide for:

27 (1) the establishment of a health care or hospital
28 system by:

29 (A) purchasing, constructing, acquiring,
30 repairing, or renovating buildings and equipment; and

31 (B) equipping the buildings; and

32 (2) the administration of the system for health care
33 or hospital purposes.

34 (b) The health care or hospital system may include:

35 (1) domiciliary care and treatment of the sick,
36 injured, or geriatric;

- 1 (2) hospitals;
- 2 (3) outpatient clinics;
- 3 (4) dispensaries;
- 4 (5) convalescent home facilities;
- 5 (6) necessary nurses;
- 6 (7) domiciliaries and training centers;
- 7 (8) blood banks;
- 8 (9) community mental health centers;
- 9 (10) research centers or laboratories;
- 10 (11) ambulance services; and
- 11 (12) any other facilities the board considers
- 12 necessary for health or hospital care. (Acts 65th Leg., R.S., Ch.
- 13 258, Secs. 2 (part), 11(a) (part).)

14 Source Law

15 Sec. 2. The district . . . shall provide for the
16 establishment of a health care or hospital system by
17 the purchase, gift, construction, acquisition,
18 repair, or renovation of buildings and equipment and
19 equipping same and the administration of the system
20 for health care or hospital purposes. . . .

21 Sec. 11. (a) . . . The health care or hospital
22 system may include domiciliary care and treatment of
23 the sick, wounded, and injured, hospitals, outpatient
24 clinic or clinics, dispensaries, geriatric
25 domiciliary care and treatment, convalescent home
26 facilities, necessary nurses, domiciliaries and
27 training centers, blood banks, community mental health
28 centers and research centers or laboratories,
29 ambulance services, and any other facilities deemed
30 necessary for health or hospital care by the
31 directors. . . .

32 Revisor's Note

33 Section 11(a), Chapter 258, Acts of the 65th
34 Legislature, Regular Session, 1977, refers to the care
35 and treatment of the "sick, wounded, and injured." The
36 revised law omits the reference to "wounded" because
37 "wounded" is included in the meaning of "injured."

38 Revised Law

39 Sec. 1063.105. RULES. The board may adopt rules governing
40 the operation of the hospital, the health care or hospital system,
41 and the district's staff and employees. (Acts 65th Leg., R.S., Ch.
42 258, Sec. 5(a) (part).)

1 Source Law

2 (a) . . . The district, through its board of
3 directors, shall have the power and authority . . . to
4 promulgate rules governing the operation of the
5 hospital, the health care or hospital system, its
6 staff, and its employees. . . .

7 Revisor's Note

8 Section 5(a), Chapter 258, Acts of the 65th
9 Legislature, Regular Session, 1977, provides that the
10 board may "promulgate rules" to govern the district.
11 The revised law substitutes "adopt" for "promulgate"
12 because the terms are synonymous and the former is more
13 commonly used.

14 Revised Law

15 Sec. 1063.106. PURCHASING AND ACCOUNTING PROCEDURES. The
16 board may prescribe:

17 (1) the method and manner of making purchases and
18 expenditures by and for the district; and

19 (2) all accounting and control procedures. (Acts 65th
20 Leg., R.S., Ch. 258, Sec. 11(c) (part).)

21 Source Law

22 (c) The board of directors of the district shall
23 have the power to prescribe the method and manner of
24 making purchases and expenditures by and for the
25 hospital district and shall also be authorized to
26 prescribe all accounting and control procedures.
27 . . .

28 Revised Law

29 Sec. 1063.107. DISTRICT PROPERTY, FACILITIES, AND
30 EQUIPMENT. (a) The board shall determine the type, number, and
31 location of buildings required to maintain an adequate health care
32 or hospital system.

33 (b) The board may lease all or part of the district's
34 buildings and other facilities on terms considered to be in the best
35 interest of the district's inhabitants. Except as provided by
36 Subsection (c), the term of a lease may not exceed 25 years from the
37 date entered.

38 (c) District land may not be leased for a period exceeding
39 25 years unless the board:

1 (1) finds that the land is not necessary for health
2 care or hospital purposes;

3 (2) complies with any indenture securing the payment
4 of district bonds; and

5 (3) receives not less than the current market value
6 for the lease.

7 (d) The district may acquire equipment for use in the
8 district's health care or hospital system and mortgage or pledge
9 the property as security for the payment of the purchase price. A
10 contract entered into under this subsection must provide that the
11 entire obligation be retired not later than the fifth anniversary
12 of the date of the contract.

13 (e) The district may sell or otherwise dispose of any
14 property, including equipment, on terms the board finds are in the
15 best interest of the district's inhabitants. The board must comply
16 with Section 272.001, Local Government Code, when selling district
17 land other than land the district is authorized to sell or exchange
18 under Subsection (f).

19 (f) The district may sell or exchange a hospital, including
20 real property necessary or convenient for the operation of the
21 hospital and real property that the board finds may be useful in
22 connection with future expansions of the hospital, on terms the
23 board determines to be in the district's best interests. The
24 district must comply with the procedures prescribed by Sections
25 285.051 and 285.052, Health and Safety Code. (Acts 65th Leg., R.S.,
26 Ch. 258, Secs. 11(a) (part), (b), (c) (part), 15(c), (d).)

27 Source Law

28 Sec. 11. (a) The board of directors is hereby
29 given complete discretion as to the type of buildings,
30 both as to number and location, required to establish
31 and maintain an adequate health care or hospital
32 system. . . . The district, through its board of
33 directors, . . . may lease all or part of its buildings
34 and facilities on terms and conditions considered to
35 be to the best interest of its inhabitants. Except as
36 provided by Subsection (c) of Section 15 of this Act,
37 the term of a lease may not exceed 25 years from the
38 date entered. The district shall be empowered to sell
39 or otherwise dispose of any property, real or
40 personal, or equipment of any nature on terms and
41 conditions found by the board to be in the best

1 interest of its inhabitants.

2 (b) The district may sell or exchange a
3 hospital, including real property necessary or
4 convenient for the operation of the hospital and real
5 property that the board of directors finds may be
6 useful in connection with future expansions of the
7 hospital, on terms and conditions the board determines
8 to be in the best interests of the district, by
9 complying with the procedures prescribed by Sections
10 285.051 and 285.052, Health and Safety Code, and any
11 subsequent amendments.

12 (c) . . . The district may acquire equipment
13 for use in its health care or hospital system and
14 mortgage or pledge the property so acquired as
15 security for the payment of the purchase price, but any
16 such contract shall provide for the entire obligation
17 of the district to be retired within five years from
18 the date of the contract. . . .

19 [Sec. 15]

20 (c) Land owned by the district may not be leased
21 for a period greater than 25 years unless the board of
22 directors:

23 (1) finds that the land is not necessary
24 for health care or hospital purposes;

25 (2) complies with any indenture securing
26 the payment of bonds issued by the district; and

27 (3) receives on behalf of the district not
28 less than the current market value for the lease.

29 (d) Land of the district, other than land that
30 the district is authorized to sell or exchange under
31 Subsection (b) of Section 11 of this Act, may not be
32 sold unless the board of directors complies with
33 Section 272.001, Local Government Code.

34 Revisor's Note

35 (1) Section 11(a), Chapter 258, Acts of the 65th
36 Legislature, Regular Session, 1977, requires the board
37 to determine the buildings required to "establish and
38 maintain" an adequate health care or hospital system.
39 The revised law omits the reference to establishing
40 the health care or hospital system as executed.

41 (2) Sections 11(a) and (b), Chapter 258, Acts of
42 the 65th Legislature, Regular Session, 1977, refer to
43 "terms and conditions." Throughout this chapter, the
44 revised law omits the references to "conditions"
45 because "conditions" is included in the meaning of
46 "terms."

47 (3) Section 11(a), Chapter 258, Acts of the 65th
48 Legislature, Regular Session, 1977, refers to "any
49 property, real or personal." The revised law omits the
50 reference to "real or personal" property because under

1 Section 311.005, Government Code (Code Construction
2 Act), "property" means "real and personal property."

3 (4) Section 11(b), Chapter 258, Acts of the 65th
4 Legislature, Regular Session, 1977, refers to Sections
5 285.051 and 285.052, Health and Safety Code, "and any
6 subsequent amendments." Throughout this chapter, the
7 revised law omits references to "subsequent
8 amendments" and "as amended" because under Section
9 311.027, Government Code (Code Construction Act), a
10 reference to a statute applies to all reenactments,
11 revisions, or amendments of that statute unless
12 expressly provided otherwise.

13 Revised Law

14 Sec. 1063.108. TAKEOVER OF NONPROFIT HOSPITAL PROPERTY.
15 The district may take over and may accept title to land, buildings,
16 improvements, and equipment of a nonprofit hospital in the district
17 if the governing authority of the hospital and district agree to the
18 transfer. (Acts 65th Leg., R.S., Ch. 258, Sec. 2 (part).)

19 Source Law

20 Sec. 2. . . . The district may take over and
21 may accept title to land, buildings, improvements, and
22 equipment of a nonprofit hospital within the district
23 if the governing authority or authorities of the
24 hospital and district agree to the transfer. . . .

25 Revised Law

26 Sec. 1063.109. EMINENT DOMAIN. (a) The district may
27 exercise the power of eminent domain to acquire a fee simple or
28 other interest in any type of property located in district
29 territory if the interest is necessary or convenient for the
30 district to exercise a power, right, or privilege conferred by this
31 chapter.

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

36 (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 petition for review. (Acts 65th Leg., R.S., Ch. 258,
8 Sec. 15(a).)

9 Source Law

10 Sec. 15. (a) The district shall have the right
11 and power of eminent domain for the purpose of
12 acquiring by condemnation any and all property of any
13 kind and character in fee simple, or any lesser
14 interest therein, within the boundaries of the
15 district necessary or convenient to the powers,
16 rights, and privileges conferred by this Act, in the
17 manner provided by the general law with respect to
18 condemnation by counties; provided that the district
19 shall not be required to make deposits in the registry
20 of the trial court of the sum required by Paragraph 2
21 of Article 3268, Revised Civil Statutes of Texas,
22 1925, as amended, or to make bond as therein provided.
23 In condemnation proceedings being prosecuted by the
24 district, the district shall not be required to pay in
25 advance or give bond or other security for costs in the
26 trial court, nor to give any bond otherwise required
27 for the issuance of a temporary restraining order or a
28 temporary injunction, nor to give bond for costs or for
29 supersedeas on any appeal or writ of error.

30 Revisor's Note

31 (1) Section 15(a), Chapter 258, Acts of the 65th
32 Legislature, Regular Session, 1977, provides that the
33 district has the "right and power of eminent domain for
34 the purpose of acquiring [property] by condemnation."
35 The revised law substitutes for the quoted language
36 "may exercise the power of eminent domain to acquire
37 [property]" because the phrases have the same meaning,
38 and the latter phrase is consistent with modern usage
39 in laws relating to eminent domain.

40 (2) Section 15(a), Chapter 258, Acts of the 65th
41 Legislature, Regular Session, 1977, provides that the
42 district must exercise the power of eminent domain in
43 the manner provided by "the general law with respect to
44 condemnation by counties." The revised law

1 substitutes for the quoted language a reference to
2 Chapter 21, Property Code, because that is the general
3 law governing eminent domain for governmental
4 entities, including counties.

5 (3) Section 15(a), Chapter 258, Acts of the 65th
6 Legislature, Regular Session, 1977, refers to
7 "Paragraph 2 of Article 3268, Revised Civil Statutes
8 of Texas, 1925, as amended." That statute was codified
9 in 1983 as Section 21.021(a), Property Code, and the
10 revised law is drafted accordingly.

11 (4) Section 15(a), Chapter 258, Acts of the 65th
12 Legislature, Regular Session, 1977, refers to a "writ
13 of error." The revised law substitutes "petition for
14 review" for "writ of error" because, effective
15 September 1, 1997, the Texas Supreme Court replaced
16 the writ of error procedure with the petition for
17 review procedure. See Rule 53.1, Texas Rules of
18 Appellate Procedure.

19 Revised Law

20 Sec. 1063.110. COST OF RELOCATING OR ALTERING PROPERTY. In
21 exercising the power of eminent domain, if the board requires the
22 relocation, raising, lowering, rerouting, or change in grade or
23 alteration in the construction of any railroad, electric
24 transmission, telegraph or telephone lines, conduits, poles, or
25 facilities or pipelines, the board must bear the actual cost of the
26 relocation, raising, lowering, rerouting, or change in grade or
27 alteration of construction to provide comparable replacement
28 without enhancement of facilities, after deducting the net salvage
29 value derived from the old facility. (Acts 65th Leg., R.S., Ch. 258,
30 Sec. 15(b).)

31 Source Law

32 (b) If the board requires the relocation,
33 raising, lowering, rerouting, or change in grade or
34 alteration in the construction of any railroad,
35 electric transmission, telegraph or telephone lines,
36 conduits, poles, or facilities or pipelines in the
37 exercise of the power of eminent domain, all of the

1 relocation, raising, lowering, rerouting, or changes
2 in grade or alteration of construction due to the
3 exercise of the power of eminent domain shall be the
4 sole expense of the board. The term "sole expense"
5 means the actual cost of relocation, raising,
6 lowering, rerouting, or change in grade or alteration
7 of construction to provide comparable replacement
8 without enhancement of facilities, after deducting the
9 net salvage value derived from the old facility.

10 Revised Law

11 Sec. 1063.111. GIFTS AND ENDOWMENTS. The board may accept
12 for the district a gift or endowment to be held in trust and
13 administered by the board for the purposes and under the
14 directions, limitations, or other provisions prescribed in writing
15 by the donor that are not inconsistent with the proper management
16 and objectives of the district. (Acts 65th Leg., R.S., Ch. 258,
17 Sec. 19.)

18 Source Law

19 Sec. 19. The board of directors of the hospital
20 district is authorized on behalf of the district to
21 accept donations, gifts, and endowments to be held in
22 trust and administered by the board of directors for
23 such purposes and under such directions, limitations,
24 and provisions as may be prescribed in writing by the
25 donor not inconsistent with proper management and
26 object of the hospital district.

27 Revisor's Note

28 Section 19, Chapter 258, Acts of the 65th
29 Legislature, Regular Session, 1977, refers to
30 "donations" and "gifts." The revised law omits the
31 reference to "donations" because "donations" is
32 included in the meaning of "gifts."

33 Revised Law

34 Sec. 1063.112. CONSTRUCTION CONTRACTS. A construction
35 contract that involves the expenditure of more than \$10,000 may be
36 made only after advertising in the manner provided by Chapter 252
37 and Subchapter C, Chapter 262, Local Government Code. (Acts 65th
38 Leg., R.S., Ch. 258, Sec. 11(c) (part).)

39 Source Law

40 (c) . . . All contracts for construction
41 involving the expenditure of more than \$10,000 may be
42 made only after advertising in the manner provided by
43 Chapter 163, Acts of the 42nd Legislature, Regular
44 Session, 1931, as amended (Article 2368a, Vernon's
45 Texas Civil Statutes). . . .

1 Revisor's Note

2 (1) Section 11(c), Chapter 258, Acts of the 65th
3 Legislature, Regular Session, 1977, permits
4 construction contracts involving more than \$10,000
5 only after advertising in the manner provided by
6 "Chapter 163, Acts of the 42nd Legislature, Regular
7 Session, 1931, as amended (Article 2368a, Vernon's
8 Texas Civil Statutes)." Article 2368a was amended by
9 Chapter 641, Acts of the 69th Legislature, Regular
10 Session, 1985, which transferred provisions relating
11 to advertising for bids by counties to the County
12 Purchasing Act (V.A.C.S. Article 2368a.5). The County
13 Purchasing Act was codified in 1987 as Subchapter C,
14 Chapter 262, Local Government Code. The provisions of
15 Article 2368a relating to advertising for bids by
16 municipalities were codified in 1987 as Chapter 252,
17 Local Government Code. The revised law is drafted
18 accordingly.

19 (2) Section 11(c), Chapter 258, Acts of the 65th
20 Legislature, Regular Session, 1977, provides that the
21 provisions of Article 5160, Revised Civil Statutes of
22 Texas, 1925, apply to the district's construction
23 contracts in relation to performance and payment
24 bonds. The revised law omits that provision as
25 unnecessary because Article 5160 was codified as
26 Chapter 2253, Government Code, and that chapter
27 applies to hospital districts on its own terms. The
28 omitted law reads:

29 (c) . . . The provisions of Article
30 5160, Revised Civil Statutes of Texas,
31 1925, as amended, relating to performance
32 and payment bonds shall apply to
33 construction contracts let by the
34 district. . . .

35 Revised Law

36 Sec. 1063.113. OPERATING AND MANAGEMENT CONTRACTS. The
37 board may enter into an operating or management contract relating

1 to a district facility. (Acts 65th Leg., R.S., Ch. 258, Sec. 11(a)
2 (part).)

3 Source Law

4 (a) . . . [The district, through its board of
5 directors,] is further authorized to enter into an
6 operating or management contract with regard to its
7 facilities or a part thereof or

8 Revised Law

9 Sec. 1063.114. 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 for the care
12 and treatment of a sick or injured person of that county or
13 municipality.

14 (b) The board may contract with this state or a federal
15 agency for the treatment of a sick or injured person. (Acts 65th
16 Leg., R.S., Ch. 258, Sec. 5(a) (part).)

17 Source Law

18 (a) . . . The board . . . shall be authorized
19 to contract with any county or incorporated
20 municipality located outside its boundaries for the
21 care and treatment of the sick, diseased, or injured
22 persons of any such county or municipality and shall
23 have the authority to contract with the State of Texas
24 or agencies of the federal government for the
25 treatment of sick, diseased, or injured persons.

26 Revisor's Note

27 (1) Section 5(a), Chapter 258, Acts of the 65th
28 Legislature, Regular Session, 1977, refers to an
29 "incorporated" municipality. The revised law omits
30 the reference to "incorporated" because under the
31 Local Government Code all municipalities must be
32 incorporated.

33 (2) Section 5(a), Chapter 258, Acts of the 65th
34 Legislature, Regular Session, 1977, refers to the
35 treatment of "sick, diseased, or injured persons."
36 The revised law omits the references to "diseased"
37 because "diseased" is included in the meaning of
38 "sick."

1 Revised Law

2 Sec. 1063.115. CONTRACTS FOR HEALTH CARE SERVICES. (a) As
3 permitted by the Texas Constitution and Chapter 61, Health and
4 Safety Code, the district may:

5 (1) enter into a contract relating to the provision of
6 health care services on terms the board determines to be in the
7 district's best interests; and

8 (2) make payments under the contract.

9 (b) The term of a contract under this section may not exceed
10 15 years. (Acts 65th Leg., R.S., Ch. 258, Sec. 5(b).)

11 Source Law

12 (b) The district may enter into contracts, and
13 make payments thereunder, relating to or arranging for
14 the provision of health care services as permitted by
15 the Texas Constitution and Chapter 61, Health and
16 Safety Code, and its subsequent amendments, on terms
17 and conditions as the board of directors determines to
18 be in the best interests of the district. The term of a
19 contract entered into under this subsection may not
20 exceed 15 years.

21 Revised Law

22 Sec. 1063.116. 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 for the medical, health
26 care, hospital, or welfare needs of district inhabitants. (Acts
27 65th Leg., R.S., Ch. 258, Sec. 5(a) (part).)

28 Source Law

29 (a) . . . The board shall be authorized to
30 contract with any other political subdivision or
31 governmental agency whereby the district will provide
32 investigatory or other services as to the medical,
33 health care, hospital, or welfare needs of the
34 inhabitants of the district and

35 Revised Law

36 Sec. 1063.117. PAYMENT FOR TREATMENT; PROCEDURES. (a)
37 When a patient who resides in the district is admitted to a district
38 facility, the chief administrative officer may have an inquiry made
39 into the circumstances of:

40 (1) the patient; and

41 (2) the patient's relatives who are legally liable for

1 the patient's support.

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

6 (c) If the chief administrative officer 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 care and support. The amount ordered must be
11 proportionate to the person's financial ability.

12 (d) The chief administrative officer may collect the amount
13 from the estate of the patient, or from any relative who is legally
14 liable for the patient's support, in the manner provided by law for
15 the collection of expenses of the last illness of a deceased person.

16 (e) If there is a dispute as to the ability to pay, or doubt
17 in the mind of the chief administrative officer, the board shall
18 hold a hearing and, after calling witnesses, shall:

19 (1) resolve the dispute or doubt; and

20 (2) issue any appropriate orders.

21 (f) A final order of the board may be appealed to the
22 district court. The substantial evidence rule applies to the
23 appeal. (Acts 65th Leg., R.S., Ch. 258, Sec. 18.)

24 Source Law

25 Sec. 18. Whenever a patient residing within the
26 district has been admitted to the facilities of the
27 district, the chief administrative officer may cause
28 inquiry to be made as to his circumstances and those of
29 the relatives of the patient legally liable for his
30 support. If he finds that the patient or his relatives
31 are able to pay for his care and treatment in whole or
32 in part, an order shall be made directing the patient
33 or his relatives to pay to the hospital district for
34 the care and support of the patient a specified sum per
35 week in proportion to their financial ability. The
36 chief administrative officer shall have the power and
37 authority to collect these sums from the estate of the
38 patient or his relatives legally liable for his
39 support in the manner provided by law for collection of
40 expenses in the last illness of a deceased person. If
41 the chief administrative officer finds that the
42 patient or his relatives are not able to pay either in
43 whole or in part for his care and treatment in the
44 facilities of the district, same shall become a charge

1 on the hospital district as to the amount of the
2 inability to pay. Should there be any dispute as to
3 the ability to pay or doubt in the mind of the chief
4 administrative officer, the board of directors shall
5 hear and determine same after calling witnesses and
6 shall make such order or orders as may be proper.
7 Appeals from a final order of the board shall lie to
8 the district court. The substantial evidence rule
9 shall apply.

10 Revised Law

11 Sec. 1063.118. NONPROFIT CORPORATION. (a) The district
12 may create and sponsor a nonprofit corporation under the Business
13 Organizations Code and may contribute or cause to be contributed
14 available funds to the corporation. A corporation under this
15 section must be a nonmember, nonstock corporation.

16 (b) The board of directors of the corporation shall be
17 composed of seven district residents appointed by the district's
18 board. The district's board may remove any director of the
19 corporation at any time with or without cause.

20 (c) The corporation may use money, other than money the
21 corporation pays to the district, only to provide or pay the costs
22 of providing or costs related to providing indigent health care or
23 other services the district is required or authorized to provide
24 under the constitution or state law.

25 (d) The district's board shall establish controls to ensure
26 that the corporation uses its money as required by Subsection (c).

27 (e) The corporation may invest the corporation's money in
28 any manner in which the district may invest the district's money,
29 including investing money as authorized by Chapter 2256, Government
30 Code. (Acts 65th Leg., R.S., Ch. 258, Sec. 19A.)

31 Source Law

32 Sec. 19A. (a) The district may sponsor and
33 create a nonstock, nonmember corporation under the
34 Texas Non-Profit Corporation Act (Article 1396-1.01 et
35 seq., Vernon's Texas Civil Statutes) and its
36 subsequent amendments and may contribute or cause to
37 be contributed available funds to the corporation.

38 (b) The funds of the corporation, other than
39 funds paid by the corporation to the district, may be
40 used by the corporation only to provide, to pay the
41 costs of providing, or to pay the costs related to
42 providing indigent health care or other services that
43 the district is required or permitted to provide under
44 the constitution or laws of this state. The board of
45 directors of the hospital district shall establish
46 adequate controls to ensure that the corporation uses

1 its funds as required by this subsection.

2 (c) The board of directors of the corporation
3 shall be composed of seven residents of the district
4 appointed by the board of directors of the district.
5 The board of directors of the district may remove any
6 director of the corporation at any time with or without
7 cause.

8 (d) The corporation may invest funds in any
9 investment in which the district is authorized to
10 invest funds of the district, including investments
11 authorized by the Public Funds Investment Act of 1987
12 (Article 842a-2, Vernon's Texas Civil Statutes) and
13 its subsequent amendments.

14 Revisor's Note

15 (1) Section 19A, Chapter 258, Acts of the 65th
16 Legislature, Regular Session, 1977, refers to a
17 corporation under the Texas Non-Profit Corporation
18 Act. The only type of corporation that may be formed
19 under that act is a nonprofit corporation. That act
20 was codified in various chapters of the Business
21 Organizations Code by Chapter 182, Acts of the 78th
22 Legislature, Regular Session, 2003. On January 1,
23 2010, the Texas Non-Profit Corporation Act expires,
24 and, as of that date, the Business Organizations Code
25 applies to all business entities. The revised law is
26 drafted accordingly.

27 (2) Section 19A(d), Chapter 258, Acts of the
28 65th Legislature, Regular Session, 1977, refers to
29 the "Public Funds Investment Act of 1987 (Article
30 842a-2, Vernon's Texas Civil Statutes)." That act was
31 codified in 1993 as Chapter 2256, Government Code. The
32 revised law is drafted accordingly.

33 Revised Law

34 Sec. 1063.119. AUTHORITY TO SUE AND BE SUED. The district,
35 through the board, may sue and be sued. (Acts 65th Leg., R.S., Ch.
36 258, Sec. 5(a) (part).)

37 Source Law

38 (a) . . . The district, through its board of
39 directors, shall have the power and authority to sue
40 and be sued,

41 [Sections 1063.120-1063.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1063.151. BUDGET. (a) The chief administrative
4 officer shall prepare an annual budget for approval by the board.

5 (b) The proposed budget must contain a complete financial
6 statement of:

7 (1) the outstanding obligations of the district;

8 (2) the cash on hand in each district fund;

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

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

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

15 (6) the estimated revenue and balances available to
16 cover the proposed budget; and

17 (7) the estimated tax rate required. (Acts 65th Leg.,
18 R.S., Ch. 258, Sec. 7 (part).)

19 Source Law

20 Sec. 7. . . . The chief administrative officer
21 shall prepare an annual budget for approval by the
22 board of directors. The budget shall also contain a
23 complete financial statement of the district showing
24 all outstanding obligations of the district, the cash
25 on hand to the credit of each and every fund of the
26 district, the funds received from all sources during
27 the previous year, the funds available from all
28 sources during the ensuing year, with balances
29 expected at year-end of the year in which the budget is
30 being prepared, and estimated revenues and balances
31 available to cover the proposed budget and the
32 estimated tax rate which will be required. . . .

33 Revised Law

34 Sec. 1063.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
35 The board shall hold a public hearing on the proposed annual budget.

36 (b) Notice of the hearing must be published one time at
37 least 10 days before the date of the hearing.

38 (c) Any district resident is entitled to be present and
39 participate at the hearing.

40 (d) At the conclusion of the hearing, the board shall adopt

1 a budget by acting on the budget proposed by the chief
2 administrative officer. The board may make any changes in the
3 proposed budget that the board judges to be in the interests of the
4 taxpayers and that the law warrants. (Acts 65th Leg., R.S., Ch. 258,
5 Sec. 7 (part).)

6 Source Law

7 Sec. 7. . . . A public hearing on the annual
8 budget shall be held by the board of directors after
9 notice of such hearing has been published one time at
10 least 10 days before the date set therefor. Any person
11 residing in the district shall have the right to be
12 present and participate in the hearing. At the
13 conclusion of the hearing, the budget, as proposed by
14 the chief administrative officer, shall be acted on by
15 the board of directors. The board of directors shall
16 have authority to make such changes in the budget as in
17 their judgment the law warrants and the interest of the
18 taxpayers demands. . . . the annual budget, and . . .
19 shall be approved by the board of directors. . . .

20 Revised Law

21 Sec. 1063.153. AMENDMENTS TO BUDGET. The budget may be
22 amended as required by circumstances. The board must approve all
23 amendments. (Acts 65th Leg., R.S., Ch. 258, Sec. 7 (part).)

24 Source Law

25 Sec. 7. . . . The annual budget may be amended
26 from time to time as the circumstances may require, but
27 . . . all amendments thereto, shall be approved by the
28 board of directors. . . .

29 Revisor's Note

30 Section 7, Chapter 258, Acts of the 65th
31 Legislature, Regular Session, 1977, states that the
32 board may amend the budget "from time to time." The
33 revised law omits the quoted language because the
34 authority to take an action implies the authority to do
35 so at any time.

36 Revised Law

37 Sec. 1063.154. RESTRICTION ON EXPENDITURES. Money may be
38 spent only for an expense included in the budget or an amendment to
39 the budget. (Acts 65th Leg., R.S., Ch. 258, Sec. 7 (part).)

40 Source Law

41 Sec. 7. . . . No expenditure may be made for
42 any expense not included in the annual budget or an
43 amendment to it. . . .

1 Revised Law

2 Sec. 1063.155. FISCAL YEAR. (a) The district operates
3 according to a fiscal year established by the board.

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

5 (1) during a period that district revenue bonds are
6 outstanding; or

7 (2) more than once in a 24-month period. (Acts 65th
8 Leg., R.S., Ch. 258, Sec. 7 (part).)

9 Source Law

10 Sec. 7. The district shall be operated on the
11 basis of a fiscal year as established by the board of
12 directors; provided such fiscal year may not be
13 changed during the time revenue bonds of the district
14 are outstanding or more than once in any 24-month
15 period. . . .

16 Revised Law

17 Sec. 1063.156. AUDIT. The board shall have an audit made of
18 the district's financial condition. (Acts 65th Leg., R.S., Ch. 258,
19 Sec. 7 (part).)

20 Source Law

21 Sec. 7. . . . The board shall have an audit
22 made of the financial condition of the district,
23

24 Revised Law

25 Sec. 1063.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
26 The audit and other district records shall be open to inspection at
27 the district's principal office. (Acts 65th Leg., R.S., Ch. 258,
28 Sec. 7 (part).)

29 Source Law

30 Sec. 7. . . . [The board shall have] an audit
31 [made of the financial condition of the district,]
32 which together with other records of the district
33 shall be open to inspection at the principal office of
34 the district. . . .

35 Revised Law

36 Sec. 1063.158. FINANCIAL REPORT. As soon as practicable
37 after the close of each fiscal year, the chief administrative
38 officer shall prepare for the board:

39 (1) a complete sworn statement of all district money;
40 and

1 (2) a complete account of the disbursements of
2 district money. (Acts 65th Leg., R.S., Ch. 258, Sec. 7 (part).)

3 Source Law

4 Sec. 7. . . . As soon as practicable after the
5 close of each fiscal year, the chief administrative
6 officer shall prepare for the board a full sworn
7 statement of all money belonging to the district and a
8 full account of the disbursements of same.

9 Revised Law

10 Sec. 1063.159. 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 1063.160, and money transmitted to a bank for payment of
15 bonds or obligations issued or assumed by the district, shall be
16 deposited as received with the depository bank and shall remain on
17 deposit.

18 (c) This chapter, including Subsection (b), does not limit
19 the power of the board to place a part of district money on time
20 deposit or to purchase certificates of deposit.

21 (d) The district may not deposit money with a bank in an
22 amount that exceeds the maximum amount secured by the Federal
23 Deposit Insurance Corporation unless the bank first executes a bond
24 or other security in an amount sufficient to secure from loss the
25 amount of district money that exceeds the amount secured by the
26 Federal Deposit Insurance Corporation. (Acts 65th Leg., R.S., Ch.
27 258, Sec. 12.)

28 Source Law

29 Sec. 12. (a) The board of directors of the
30 district shall name one or more banks within its
31 boundaries to serve as depository for the funds of the
32 district. All funds of the district, except those
33 invested as provided in Section 5 of this Act and those
34 transmitted to a bank or banks of payment for bonds or
35 obligations issued or assumed by the district, shall
36 be deposited as received with the depository bank and
37 shall remain on deposit; provided that nothing in this
38 Act shall limit the power of the board to place a
39 portion of such funds on time deposit or purchase
40 certificates of deposit.

41 (b) Before the district deposits in any bank
42 funds of the district in an amount which exceeds the
43 maximum amount secured by the Federal Deposit
44 Insurance Corporation, the bank shall be required to

1 execute a bond or other security in an amount
2 sufficient to secure from loss the district funds
3 which exceed the amount secured by the Federal Deposit
4 Insurance Corporation.

5 Revised Law

6 Sec. 1063.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
7 Except as otherwise provided by Section 1063.107(d) and by
8 Subchapter E, the district may not incur an obligation payable from
9 district revenue other than the revenue on hand or to be on hand in
10 the current and following district fiscal years.

11 (b) The board may invest operating, depreciation, or
12 building reserves only in funds or securities specified by Chapter
13 2256, Government Code. (Acts 65th Leg., R.S., Ch. 258, Secs. 5(a)
14 (part), 11(c) (part).)

15 Source Law

16 Sec. 5. (a) . . . in no event shall any
17 operating, depreciation, or building reserves be
18 invested in any funds or securities other than those
19 specified in Article 836 or 837, Revised Civil
20 Statutes of Texas, 1925, as amended. . . .

21 [Sec. 11]

22 (c) . . . Except as permitted in the preceding
23 sentence and as permitted by Sections 5, 8, 9, and 10
24 of this Act, the district may incur no obligation
25 payable from any revenues of the district, except
26 those on hand or to be on hand within the then current
27 and following fiscal year of the district.

28 Revisor's Note

29 (1) Section 5(a), Chapter 258, Acts of the 65th
30 Legislature, Regular Session, 1977, refers to "Article
31 836 or 837, Revised Civil Statutes of Texas, 1925, as
32 amended." Those articles were impliedly repealed by
33 the enactment of the Public Funds Investment Act of
34 1987 (Article 842a-2, Vernon's Texas Civil Statutes),
35 which was revised in 1993 as Chapter 2256, Government
36 Code. Chapter 2256 defines "local government" to
37 include hospital districts and applies to the district
38 by its own terms. The revised law therefore
39 substitutes a reference to Chapter 2256, Government
40 Code, for the references to Articles 836 and 837.

41 (2) Section 11(c), Chapter 258, Acts of the 65th

1 Legislature, Regular Session, 1977, states that
2 "[e]xcept as permitted in the preceding sentence and
3 as permitted by Sections 5, 8, 9, and 10," the district
4 may not incur certain obligations. The "preceding
5 sentence" in Section 11(c) is revised in Section
6 1063.107(d). Section 5 does not include any authority
7 for the district to incur obligations. As explained in
8 the revisor's note to the end of Subchapter A, Section
9 9 is omitted from the revised law as executed.
10 Sections 8 and 10 are revised in Subchapter E. The
11 revised law is drafted accordingly.

12 [Sections 1063.161-1063.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Revised Law

15 Sec. 1063.201. GENERAL OBLIGATION BONDS. The board may
16 issue and sell general obligation bonds in the name and on the faith
17 and credit of the district for any purpose relating to:

18 (1) the purchase, construction, acquisition, repair,
19 or renovation of buildings or improvements; and

20 (2) equipping buildings or improvements for health
21 care or hospital purposes. (Acts 65th Leg., R.S., Ch. 258, Sec.
22 8(a) (part).)

23 Source Law

24 Sec. 8. (a) The board of directors shall have
25 the power and authority to issue and sell its bonds in
26 the name and on the faith and credit of the hospital
27 district for the purchase, construction, acquisition,
28 repair, or renovation of buildings and improvements
29 and equipping the same for health care or hospital
30 purposes, and for any or all such purposes. . . .

31 Revisor's Note

32 Section 8(a), Chapter 258, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that the
34 board has the power and authority to issue and sell
35 bonds in the name and on the faith and credit of the
36 district. Because the type of bonds described by
37 Section 8(a) are known as "general obligation bonds,"

1 the revised law is drafted accordingly.

2 Revised Law

3 Sec. 1063.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
4 the time general obligation bonds are issued by the district under
5 Section 1063.201, 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 ad valorem tax the district imposes may not in any year exceed 75
10 cents on each \$100 valuation of all taxable property in the district
11 subject to hospital district taxation. (Acts 65th Leg., R.S., Ch.
12 258, Sec. 8(a) (part).)

13 Source Law

14 (a) . . . At the time of the issuance of any
15 bonds by the district, a tax shall be levied by the
16 board sufficient to create an interest and sinking
17 fund to pay the interest on and principal of said bonds
18 as same mature; providing the tax together with any
19 other taxes levied for the district shall not exceed 75
20 cents on each \$100 valuation of all taxable property
21 situated in the district subject to hospital district
22 taxation in any one year. . . .

23 Revisor's Note

24 Section 8(a), Chapter 258, Acts of the 65th
25 Legislature, Regular Session, 1977, requires the
26 district to levy a tax to pay the principal of and
27 interest on bonds. The revised law specifies that the
28 tax is an "ad valorem" tax because it is clear from the
29 source law that the tax is a property tax and "ad
30 valorem" is the term most commonly used to refer to a
31 property tax.

32 Revised Law

33 Sec. 1063.203. GENERAL OBLIGATION BOND ELECTION. (a) The
34 district may issue general obligation bonds only if the bonds are
35 authorized by a majority of the district voters.

36 (b) The election order must provide for clerks as in county
37 elections and must specify:

38 (1) the date of the election;

1 (3) Section 8(a), Chapter 258, Acts of the 65th
2 Legislature, Regular Session, 1977, provides that a
3 bond election "shall be conducted in accordance with
4 the Texas Election Code, as amended, except as
5 modified by the provisions of this Act." The revised
6 law omits the quoted language because Section 1.002,
7 Election Code, provides that the Election Code applies
8 to all elections held in this state. An exception to
9 the application of the Election Code would apply by its
10 own terms.

11 Revised Law

12 Sec. 1063.204. MATURITY OF GENERAL OBLIGATION BONDS.
13 District general obligation bonds must mature not later than 40
14 years after the date of issuance. (Acts 65th Leg., R.S., Ch. 258,
15 Sec. 8(c) (part).)

16 Source Law

17 (c) Bonds of the district shall mature within 40
18 years of their date,

19 Revised Law

20 Sec. 1063.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
21 The board president shall execute the general obligation bonds in
22 the district's name.

23 (b) The board secretary shall countersign the bonds in the
24 manner provided by Chapter 618, Government Code. (Acts 65th Leg.,
25 R.S., Ch. 258, Sec. 8(c) (part).)

26 Source Law

27 (c) [Bonds of the district] . . . shall be
28 executed in the name of the hospital district and on
29 its behalf by the president of the board and
30 countersigned by the secretary in the manner provided
31 by Chapter 204, Acts of the 57th Legislature, Regular
32 Session, 1961, as amended (Article 717j-1, Vernon's
33 Texas Civil Statutes),

34 Revisor's Note

35 (1) Section 8(c), Chapter 258, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to Chapter
37 204, Acts of the 57th Legislature, Regular Session,
38 1961, as amended (Article 717j-1, Vernon's Texas Civil

1 Statutes). That statute was codified in 1999 as
2 Chapter 618, Government Code, and the revised law is
3 drafted accordingly.

4 (2) Section 8(c), Chapter 258, Acts of the 65th
5 Legislature, Regular Session, 1977, provides that
6 general obligation bonds issued under Chapter 258 must
7 bear interest at a rate not to exceed that provided by
8 Chapter 3, Acts of the 61st Legislature, Regular
9 Session, 1969, as amended (Article 717k-2, Vernon's
10 Texas Civil Statutes). The maximum interest rate
11 noted in Chapter 3 was revised in 1999 as Section
12 1204.006, Government Code. Section 1204.006,
13 Government Code, permits a public agency, including a
14 hospital district, to issue public securities at any
15 net effective interest rate of 15 percent or less and
16 applies to the district under Section 1204.001,
17 Government Code. The revised law omits the reference
18 because it duplicates Section 1204.006, Government
19 Code. The omitted law reads:

20 (c) [Bonds of the district] . . .
21 shall bear interest at a rate not to exceed
22 that prescribed by Chapter 3, Acts of the
23 61st Legislature, Regular Session, 1969, as
24 amended (Article 717k-2, Vernon's Texas
25 Civil Statutes), and

26 (3) Section 8(c), Chapter 258, Acts of the 65th
27 Legislature, Regular Session, 1977, provides that the
28 general obligation bonds are subject to the law
29 governing counties that relates to bond approval by
30 the attorney general and registration of the bonds by
31 the comptroller. Section 8(c) also provides that
32 after approval and registration the bonds are
33 "incontestable for any cause." The revised law omits
34 those provisions as superseded by Chapter 1202,
35 Government Code (enacted as Article 3, Chapter 53,
36 Acts of the 70th Legislature, 2nd Called Session,
37 1987). Section 1202.003(a), Government Code, requires

1 bonds to be submitted to the attorney general. Section
2 1202.003(b), Government Code, provides for approval of
3 the bonds by the attorney general and requires the
4 attorney general to submit the approved bonds to the
5 comptroller for registration. Section 1202.005,
6 Government Code, requires registration of the bonds by
7 the comptroller. Section 1202.006, Government Code,
8 provides that after approval and registration the
9 bonds are incontestable and binding obligations.
10 Chapter 1202, Government Code, applies to bonds issued
11 under this chapter by application of Section 1202.001,
12 Government Code. The omitted law reads:

13 (c) [Bonds of the district] . . .
14 shall be subject to the same requirements in
15 the manner of approval by the Attorney
16 General of Texas and registration by the
17 Comptroller of Public Accounts of the State
18 of Texas as are by law provided for approval
19 and registration of bonds issued by
20 counties. On the approval of the bonds by
21 the attorney general and registration by
22 the comptroller, the same shall be
23 incontestable for any cause.

24 Revised Law

25 Sec. 1063.206. REVENUE BONDS. (a) The district may issue
26 revenue bonds or certificates of obligation or may incur or assume
27 any other debt only if authorized by a majority of the district
28 voters voting in an election held for that purpose. This subsection
29 does not apply to refunding bonds or other debt incurred solely to
30 refinance an outstanding debt.

31 (b) The board may issue revenue bonds to:

32 (1) purchase, construct, acquire, repair, renovate,
33 or equip buildings or improvements for health care or hospital
34 purposes; or

35 (2) acquire sites to be used for health care or
36 hospital purposes.

37 (c) The bonds must be payable from and secured by a pledge of
38 all or part of the revenue derived from the operation of the
39 district's hospital or health care facilities.

1 (d) The bonds may be additionally secured by a mortgage or
2 deed of trust lien on all or part of district property.

3 (e) 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, 264.046, 264.047, 264.048, and 264.049, Health
6 and Safety Code, for issuance of revenue bonds by a county hospital
7 authority. (Acts 65th Leg., R.S., Ch. 258, Secs. 9A, 10 (part).)

8 Source Law

9 Sec. 9A. The district may issue revenue bonds or
10 certificates of obligation or may incur or assume any
11 other debt only if authorized by a majority of the
12 voters of the district voting in an election held for
13 that purpose. This section does not apply to refunding
14 bonds or other debt incurred solely to refinance an
15 outstanding debt.

16 Sec. 10. In addition to the power to issue bonds
17 payable from taxes levied by the district, as
18 contemplated by Section 8 of this Act, the board of
19 directors is further authorized to issue and . . .
20 revenue bonds for purchasing, constructing,
21 acquiring, repairing, equipping, or renovating
22 buildings and improvements for health care or hospital
23 purposes and for acquiring sites for health care or
24 hospital purposes, the bonds to be payable from and
25 secured by a pledge of all or any part of the revenues
26 of the district to be derived from the operation of its
27 hospital or health care facilities. The bonds may be
28 additionally secured by a mortgage or deed of trust
29 lien on any part or all of its properties. The bonds
30 shall be issued in the manner and in accordance with
31 the procedures and requirements specified for the
32 issuance of revenue bonds by county hospital
33 authorities in Sections 8 and 10 through 13 of Chapter
34 122, Acts of the 58th Legislature, 1963 (Article
35 4494r, Vernon's Texas Civil Statutes).

36 Revisor's Note

37 (1) Section 10, Chapter 258, Acts of the 65th
38 Legislature, Regular Session, 1977, provides that the
39 district has the authority to issue revenue bonds
40 "[i]n addition to the power to issue bonds payable from
41 taxes levied by the district, as contemplated by
42 Section 8 of this Act." The revised law omits the
43 quoted language as unnecessary because an accepted
44 general principle of statutory construction requires a
45 statute to be given cumulative effect with other
46 statutes unless it provides otherwise or unless the
47 statutes are in conflict. The general principle

1 applies to this revision.

2 (2) Section 10, Chapter 258, Acts of the 65th
3 Legislature, Regular Session, 1977, refers to Sections
4 8 and 10 through 13 of Chapter 122, Acts of the 58th
5 Legislature, 1963 (Article 4494r, Vernon's Texas Civil
6 Statutes). Those provisions were codified in 1989 as
7 Sections 264.042, 264.043, 264.046, 264.047, 264.048,
8 and 264.049, Health and Safety Code. The revised law
9 is drafted accordingly.

10 Revised Law

11 Sec. 1063.207. REFUNDING BONDS. (a) The board may, without
12 an election, issue refunding bonds to refund outstanding
13 indebtedness issued or assumed by the district.

14 (b) A refunding bond may be:

15 (1) sold, with the proceeds of the refunding bond
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 65th
19 Leg., R.S., Ch. 258, Secs. 8(a) (part), (b) (part), 10 (part).)

20 Source Law

21 Sec. 8. (a) . . . [No bonds shall be issued by
22 such hospital district] except refunding bonds [until
23 authorized by a majority of the electors of the
24 district]. . . .

25 (b) Refunding bonds of the district may be
26 issued for the purpose of refunding and paying off any
27 outstanding indebtedness it has issued or assumed.
28 Such refunding bonds may be sold and the proceeds
29 thereof applied to the payment of outstanding
30 indebtedness or may be exchanged in whole or in part
31 for not less than a like principal amount of
32 outstanding indebtedness. . . .

33 Sec. 10. . . . [the board of directors is
34 further authorized] . . . to refund any previously
35 issued [revenue bonds]

36 Revisor's Note

37 Section 8(b), Chapter 258, Acts of the 65th
38 Legislature, Regular Session, 1977, provides that
39 refunding bonds sold to pay outstanding indebtedness
40 must be issued and payments made in the manner
41 specified by Chapter 503, Acts of the 54th

1 Legislature, Regular Session, 1955, as amended
2 (Article 717k, Vernon's Texas Civil Statutes). In
3 addition, the section provides that refunding bonds
4 must be issued in conformity with Chapter 784, Acts of
5 the 61st Legislature, Regular Session, 1969 (Article
6 717k-3, Vernon's Texas Civil Statutes). Articles 717k
7 and 717k-3 were codified in 1999 as Chapter 1207,
8 Government Code. The revised law omits the provisions
9 because Chapter 1207, Government Code, applies to the
10 district by its own terms under Section 1207.001,
11 Government Code. The omitted law reads:

12 (b) . . . If the refunding bonds are
13 to be sold and the proceeds applied to the
14 payment of any outstanding indebtedness,
15 the refunding bonds shall be issued and
16 payments made in the manner specified by
17 Chapter 503, Acts of the 54th Legislature,
18 1955, as amended (Article 717k, Vernon's
19 Texas Civil Statutes). Refunding bonds
20 shall be issued in conformity with Chapter
21 784, Acts of the 61st Legislature, Regular
22 Session, 1969 (Article 717k-3, Vernon's
23 Texas Civil Statutes).

24 Revised Law

25 Sec. 1063.208. BONDS EXEMPT FROM TAXATION. The following
26 are exempt from taxation by this state or a political subdivision of
27 this state:

- 28 (1) bonds issued by the district;
29 (2) the transfer and issuance of the bonds; and
30 (3) profits made in the sale of the bonds. (Acts 65th
31 Leg., R.S., Ch. 258, Sec. 22 (part).)

32 Source Law

33 Sec. 22. . . . any bonds issued by it and their
34 transfer and the issuance therefrom, including any
35 profits made in the sale thereof, shall at all times be
36 free from taxation by the state or any municipality or
37 political subdivision thereof.

38 Revisor's Note

39 Section 22, Chapter 258, Acts of the 65th
40 Legislature, Regular Session, 1977, refers to "any
41 municipality or political subdivision" of this state.
42 The revised law omits "municipality" because that term

1 is included in the meaning of "political subdivision"
2 of this state.

3 Revised Law

4 Sec. 1063.209. TAX ANTICIPATION NOTES. (a) The board may:

5 (1) declare an emergency because money is not
6 available to:

7 (A) pay the principal of and interest on any
8 district bonds payable wholly or partly from taxes; or

9 (B) meet any other needs of the district; and

10 (2) issue negotiable tax anticipation notes to borrow
11 the money the district needs.

12 (b) Tax anticipation notes may be issued for any purpose for
13 which the district may impose taxes.

14 (c) Tax anticipation notes may bear interest at any rate or
15 rates authorized by law.

16 (d) Tax anticipation notes must mature not later than one
17 year after the date of issuance.

18 (e) Tax anticipation notes must be secured by the proceeds
19 of taxes to be imposed by the district in the succeeding 12-month
20 period.

21 (f) The board may covenant with the note purchasers that the
22 board will impose a sufficient tax in the following fiscal year to
23 pay the principal of and interest on the notes and pay the costs of
24 collecting the taxes. (Acts 65th Leg., R.S., Ch. 258, Sec. 11(d).)

25 Source Law

26 (d) The board may declare an emergency in the
27 matter of funds not being available to pay principal of
28 and interest on any bonds of the district payable in
29 whole or in part from taxes or to meet any other needs
30 of the district and may issue negotiable tax
31 anticipation notes to borrow the money needed by the
32 district. Tax anticipation notes may bear interest at
33 any rate or rates authorized by general law and must
34 mature within one year of their date. Tax anticipation
35 notes may be issued for any purpose for which the
36 district is authorized to levy taxes, and tax
37 anticipation notes shall be secured with the proceeds
38 of taxes to be levied by the district in the succeeding
39 12-month period. The board may covenant with the
40 purchasers of the notes that the board will levy a
41 sufficient tax in the following fiscal year to pay
42 principal of and interest on the notes and pay the
43 costs of collecting the taxes.

1 Revised Law

2 Sec. 1063.210. CERTIFICATES OF OBLIGATION. (a) The
3 district may issue and sell certificates of obligation for a
4 purpose permitted under this chapter.

5 (b) The certificates of obligation must be issued and sold
6 in conformity with and in the manner specified for a municipality or
7 county by Subchapter C, Chapter 271, Local Government Code. (Acts
8 65th Leg., R.S., Ch. 258, Sec. 8(d).)

9 Source Law

10 (d) The district shall have the same power and
11 authority as cities and counties under The Certificate
12 of Obligation Act of 1971 (Article 2368a.1, Vernon's
13 Texas Civil Statutes) to issue and sell certificates
14 of obligation for permitted purposes under this Act in
15 accordance with the provisions of The Certificate of
16 Obligation Act. Certificates of obligation shall be
17 issued in conformity with and in the manner specified
18 in The Certificate of Obligation Act, as it may be
19 amended from time to time.

20 Revisor's Note

21 (1) Section 8(d), Chapter 258, Acts of the 65th
22 Legislature, Regular Session, 1977, refers to "[t]he
23 Certificate of Obligation Act" (Article 2368a.1,
24 Vernon's Texas Civil Statutes). That statute was
25 codified in 1987 as Subchapter C, Chapter 271, Local
26 Government Code, and the revised law is drafted
27 accordingly.

28 (2) Section 8(d), Chapter 258, Acts of the 65th
29 Legislature, Regular Session, 1977, refers to the
30 Certificate of Obligation Act "as it may be amended
31 from time to time." The revised law omits the quoted
32 language for the reason stated in Revisor's Note (4) to
33 Section 1063.107.

34 Revisor's Note
35 (End of Subchapter)

36 (1) Section 14, Chapter 258, Acts of the 65th
37 Legislature, Regular Session, 1977, provides that
38 bonds issued under that act are authorized investments
39 for certain entities. The revised law omits the

1 provision as unnecessary. As to several of the
2 entities listed, Section 14 has been superseded and
3 impliedly repealed. Investments in securities by
4 banks are regulated by Section 34.101, Finance Code
5 (enacted in 1995 as Section 5.101, Texas Banking Act
6 (Article 342-5.101, Vernon's Texas Civil Statutes)).
7 Investments in securities by savings banks are
8 regulated by Section 93.001(c)(10), Finance Code
9 (enacted in 1993 as Section 7.15(10), Texas Savings
10 Bank Act (Article 489e, Vernon's Texas Civil
11 Statutes)). Investments in securities by trust
12 companies are regulated by Section 184.101, Finance
13 Code (enacted in 1997 as Section 5.101, Texas Trust
14 Company Act (Article 342a-5.101, Vernon's Texas Civil
15 Statutes)). Investments in securities by savings and
16 loan associations are regulated by Sections 63.002 and
17 64.001, Finance Code. As to the remaining entities
18 listed, Section 14 is superseded by Section 1201.041,
19 Government Code, enacted as Section 9, Bond Procedures
20 Act of 1981 (Article 717k-6, Vernon's Texas Civil
21 Statutes). Section 1201.041, Government Code, applies
22 to bonds issued under this chapter by application of
23 Section 1201.002, Government Code. The revised law
24 omits the reference to public funds of this state
25 because it has been superseded by Section 404.024,
26 Government Code (enacted in 1985 as Section 2.014,
27 Treasury Act (Article 4393-1, Vernon's Texas Civil
28 Statutes)), which governs the investment of state
29 funds. Section 404.024(b)(10), Government Code,
30 authorizes the investment of state funds in
31 obligations of political subdivisions, including
32 hospital districts. The omitted law reads:

33 Sec. 14. All bonds issued and
34 indebtedness assumed by the district shall
35 be and are hereby declared to be legal and
36 authorized investments of banks, savings

1 banks, trust companies, building and loan
2 associations, savings and loan
3 associations, insurance companies,
4 trustees, and sinking funds of cities,
5 towns, villages, counties, school
6 districts, or other political subdivisions
7 of the State of Texas, and for all public
8 funds of the State of Texas or its agencies
9 including the Permanent School Fund. . . .

10 (2) Section 14, Chapter 258, Acts of the 65th
11 Legislature, Regular Session, 1977, effectively
12 provides that bonds issued under that chapter may
13 secure deposits of public funds of this state or
14 political subdivisions of this state. The revised law
15 omits the provision as impliedly repealed by Section
16 404.0221, Government Code (enacted in 1995), which
17 lists eligible collateral for deposits of state funds
18 by the comptroller, and by Chapter 2257, Government
19 Code (enacted in 1989 as Article 2529d, Vernon's Texas
20 Civil Statutes), which governs eligible collateral for
21 deposits of funds of other public agencies, including
22 political subdivisions. The omitted law reads:

23 Sec. 14. . . . Such bonds and
24 indebtedness shall be eligible to secure
25 deposit of public funds of the State of
26 Texas and public funds of cities, towns,
27 villages, counties, school districts, or
28 other political subdivisions or
29 corporations of the State of Texas and shall
30 be lawful and sufficient security for said
31 deposits to the extent of their value when
32 accompanied by all unmatured coupons
33 appurtenant thereto.

34 [Sections 1063.211-1063.250 reserved for expansion]

35 SUBCHAPTER F. TAXES

36 Revised Law

37 Sec. 1063.251. IMPOSITION OF AD VALOREM TAX. (a) The board
38 shall impose an ad valorem tax on all taxable property in the
39 district subject to district taxation.

40 (b) The board shall impose the tax to pay:

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

42 and

43 (2) the maintenance and operating expenses of the
44 district.

1 (c) The board may not impose a tax to pay the principal of or
2 interest on revenue bonds issued under this chapter. (Acts 65th
3 Leg., R.S., Ch. 258, Secs. 13(a) (part), 16(a) (part).)

4 Source Law

5 Sec. 13. (a) The board of directors shall
6 annually levy a tax . . . for the purpose of paying:

7 (1) the indebtedness assumed or issued by
8 the district, but no tax shall be levied to pay
9 principal of or interest on revenue bonds issued under
10 the provisions of Section 8 of this Act; and

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

13 Sec. 16. (a) . . . Hospital tax shall be
14 levied upon all taxable property within the district
15 subject to hospital district taxation.

16 Revisor's Note

17 Section 16(a), Chapter 258, Acts of the 65th
18 Legislature, Regular Session, 1977, provides that the
19 district may impose taxes for the entire year in which
20 the district is established. The revised law omits
21 that provision as executed. The omitted law reads:

22 Sec. 16. (a) The directors shall
23 have the authority to levy taxes for the
24 entire year in which the district is created
25 as the result of the election herein
26 provided. . . .

27 Revised Law

28 Sec. 1063.252. TAX RATE. (a) The board may impose the tax
29 at a rate not to exceed 75 cents on each \$100 valuation of taxable
30 property in the district subject to district taxation.

31 (b) In setting the tax rate, the board shall consider the
32 income of the district from sources other than taxation. (Acts 65th
33 Leg., R.S., Ch. 258, Secs. 3(b) (part), 13(a) (part), (b) (part).)

34 Source Law

35 [Sec. 3]

36 (b) . . . [hospital district shall be created
37 with authority to levy annual taxes] at a rate not to
38 exceed 75 cents on the \$100 valuation on all taxable
39 property situated within the hospital district,
40 subject to hospital district taxation,

41 Sec. 13. (a) [The board of directors shall
42 annually levy a tax] not to exceed the amount
43 hereinabove permitted

44 (b) In setting the tax rate the board shall take
45 into consideration the income of the district from
46 sources other than taxation. . . .

1 Revisor's Note

2 Section 13(b), Chapter 258, Acts of the 65th
3 Legislature, Regular Session, 1977, requires the board
4 to levy the tax and to certify the tax rate to the tax
5 assessor-collector. The revised law omits that
6 provision because Section 26.05(a), Tax Code, requires
7 the governing body of a taxing unit to adopt a tax rate
8 for the current tax year and to notify the tax assessor
9 for the unit of that rate. The omitted law reads:

10 (b) . . . On determination of the
11 amount of tax required to be levied, the
12 board shall make the levy and certify the
13 same to the tax assessor-collector.

14 Revised Law

15 Sec. 1063.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
16 ASSESSOR-COLLECTOR. (a) This section applies unless the board
17 elects to have district taxes assessed and collected under Section
18 1063.254.

19 (b) The tax assessor-collector of Montgomery County shall
20 assess and collect taxes imposed by the district. (Acts 65th Leg.,
21 R.S., Ch. 258, Secs. 16(a) (part), (b) (part).)

22 Source Law

23 (a) . . . unless the directors, by majority
24 vote, elect to have taxes assessed and collected by its
25 own tax assessor-collector under Subsection (c) of
26 this section. . . .

27 (b) . . . The tax assessor-collector of the
28 county in which the district is situated shall be
29 charged and required to accomplish the assessment and
30 collection of all taxes levied by and on behalf of the
31 district. . . .

32 Revisor's Note

33 (1) Sections 16(a) and (b), Chapter 258, Acts of
34 the 65th Legislature, Regular Session, 1977, refer to
35 the assessment and collection of district taxes on
36 county tax values. The revised law omits those
37 provisions because they were repealed by Section 6(b),
38 Chapter 841, Acts of the 66th Legislature, Regular
39 Session, 1979, which repealed all "general, local, and
40 special laws" that conflicted with that act. The 1979

1 act enacted the Property Tax Code (Title 1, Tax Code),
2 a comprehensive, substantive codification of property
3 tax law. Title 1, Tax Code, provides the exclusive
4 procedures for the appraisal of property for taxation
5 by a taxing unit, including a hospital district. The
6 omitted law reads:

7 (a) . . . All taxes of the district
8 shall be assessed and collected on county
9 tax values as provided in Subsection (b) of
10 this section

11 (b) Under this subsection, district
12 taxes shall be assessed and collected on
13 county tax values in the same manner as
14 provided by law with relation to county
15 taxes. . . .

16 (2) Section 16(b), Chapter 258, Acts of the 65th
17 Legislature, Regular Session, 1977, refers to the tax
18 assessor-collector "of the county in which the
19 district is situated." The revised law substitutes
20 "Montgomery County" for the quoted language because
21 that is the county in which the district is located.

22 (3) Section 16(b), Chapter 258, Acts of the 65th
23 Legislature, Regular Session, 1977, provides that the
24 county tax assessor-collector may charge a fee for the
25 assessment and collection of district taxes. The
26 revised law omits that provision because it was
27 repealed by Section 6(b), Chapter 841, Acts of the 66th
28 Legislature, Regular Session, 1979. See Revisor's
29 Note (1). Section 6.27(b), Tax Code, provides for the
30 compensation of a county tax assessor-collector
31 assessing and collecting taxes for another taxing
32 unit. The omitted law reads:

33 (b) . . . The assessor-collector of
34 taxes shall charge and deduct from payments
35 to the hospital district an amount as fees
36 for assessing and collecting the taxes at a
37 rate of one percent of the taxes assessed
38 and one percent of the taxes collected but
39 in no event shall the amount paid exceed
40 \$5,000 in any one calendar year. Such fees
41 shall be deposited in the officers salary
42 fund of the county and reported as fees of
43 office of the county tax
44 assessor-collector. . . .

1 (4) Section 16(b), Chapter 258, Acts of the 65th
2 Legislature, Regular Session, 1977, provides that
3 interest and penalties on district taxes and discounts
4 are the same as for county taxes. The revised law
5 omits those provisions as unnecessary. Section 1.02,
6 Tax Code, requires all taxing units of government to
7 administer the assessment, collection, and
8 enforcement of taxes in conformity with Title 1, Tax
9 Code. Chapter 33, Tax Code, provides for the
10 assessment of penalties and interest on delinquent
11 taxes, and Section 31.05, Tax Code, provides for local
12 option discounts on the early payment of taxes. The
13 omitted law reads:

14 (b) . . . Interest and penalties on
15 taxes paid to the hospital district shall be
16 the same as in the case of county taxes.
17 Discounts shall be the same as allowed by
18 the county. . . .

19 (5) Section 16(b), Chapter 258, Acts of the 65th
20 Legislature, Regular Session, 1977, provides that tax
21 revenue shall be deposited in the district's
22 depository. The revised law omits the provision
23 because Section 31.10, Tax Code, requires the tax
24 assessor-collector of a taxing unit to deposit taxes
25 collected in the unit's depository. The omitted law
26 reads:

27 (b) . . . The residue of tax
28 collections after deduction of discounts
29 and fees for assessing and collecting shall
30 be deposited in the district's
31 depository. . . .

32 (6) Section 16(b), Chapter 258, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that the
34 bond of the county tax assessor-collector is security
35 for the performance of district duties unless the
36 board determines that an additional bond is necessary.
37 The revised law omits that provision because it
38 duplicates Section 6.29(b), Tax Code, which authorizes

1 a taxing unit for which the county tax
2 assessor-collector collects a tax to require that
3 collector to post an additional bond. The omitted law
4 reads:

5 (b) . . . The bond of the county tax
6 assessor-collector shall stand as security
7 for the proper performance of his duties as
8 assessor-collector of the district, or if
9 in the judgment of the district board of
10 directors it is necessary, additional bond
11 payable to the district may be required.
12 . . .

13 (7) Section 16(b), Chapter 258, Acts of the 65th
14 Legislature, Regular Session, 1977, states that the
15 tax assessor-collector may act in accordance with
16 state law relating to the assessment, collection, and
17 enforcement of state and county taxes. The revised law
18 omits that provision as unnecessary. The state law
19 relating to the assessment, collection, and
20 enforcement of all ad valorem taxes is Title 1, Tax
21 Code. Section 1.02, Tax Code, requires all taxing
22 units of government to administer the assessment,
23 collection, and enforcement of taxes in conformity
24 with that title. The omitted law reads:

25 (b) . . . In all matters pertaining
26 to the assessment, collection, and
27 enforcement of taxes for the district, the
28 county tax assessor-collector shall be
29 authorized to act in all respects according
30 to the laws of the State of Texas relating
31 to state and county taxes.

32 Revised Law

33 Sec. 1063.254. ASSESSMENT AND COLLECTION BY APPOINTMENT OR
34 CONTRACT. (a) The board may elect to:

35 (1) appoint a tax assessor-collector to assess and
36 collect district taxes; or

37 (2) contract for the assessment and collection of
38 taxes as provided by the Tax Code.

39 (b) An election under this section must be made by December
40 1 and governs the manner in which taxes are assessed and collected,
41 until changed by a similar resolution.

1 (c) The board shall set for the appointed tax
2 assessor-collector:

3 (1) the term of employment; and

4 (2) compensation. (Acts 65th Leg., R.S., Ch. 258,
5 Secs. 16(a) (part), (c) (part).)

6 Source Law

7 (a) . . . Any such election may be made prior to
8 December 1 annually and shall govern the manner in
9 which taxes are subsequently assessed and collected
10 until changed by a similar resolution. . . .

11 (c) Under this subsection, taxes may be assessed
12 and collected by a tax assessor-collector appointed by
13 the directors, who shall also fix the term of his
14 employment, compensation, and . . . or the district
15 may contract for the assessment and collection of
16 taxes as provided by the Tax Code.

17 Revisor's Note

18 Section 16(c), Chapter 258, Acts of the 65th
19 Legislature, Regular Session, 1977, requires the board
20 to set a bond amount of not less than \$5,000 as
21 security for the appointed tax assessor-collector.
22 The revised law omits the provision because it was
23 repealed by Section 6(b), Chapter 841, Acts of the 66th
24 Legislature, Regular Session, 1979. See Revisor's
25 Note (1) to Section 1063.253. Section 6.29(a), Tax
26 Code, authorizes the governing body of a taxing unit,
27 including a hospital district, to require the unit's
28 tax assessor-collector to post bond without limiting
29 the amount. The omitted law reads:

30 (c) . . . [directors, who shall also
31 fix the] . . . requirement for bond to
32 assure the faithful performance of his
33 duties, but in no event shall such bond be
34 for less than \$5,000,

35 Revised Law

36 Sec. 1063.255. PETITION AND ORDER FOR ELECTION TO REDUCE
37 TAX RATE. (a) Notwithstanding Section 26.07(b)(3), Tax Code, a
38 petition to require an election under Section 26.07, Tax Code, on
39 reducing the district's tax rate to the rollback tax rate shall be
40 submitted to the Montgomery County elections administrator instead

1 of to the board.

2 (b) Notwithstanding Section 26.07(c), Tax Code, not later
3 than the 20th day after the date a petition is submitted under
4 Subsection (a), the elections administrator shall:

5 (1) determine whether the petition is valid under
6 Section 26.07, Tax Code; and

7 (2) certify the determination of the petition's
8 validity to the board.

9 (c) If the elections administrator fails to act within the
10 time allowed, the petition is treated as if it had been found valid.

11 (d) Notwithstanding Section 26.07(d), Tax Code, if the
12 elections administrator certifies to the board that the petition is
13 valid or fails to act within the time allowed, the board shall order
14 that an election under Section 26.07, Tax Code, to determine
15 whether to reduce the district's tax rate to the rollback rate be
16 held in the district in the manner prescribed by Section 26.07(d) of
17 that code.

18 (e) The district shall reimburse the elections
19 administrator for reasonable costs incurred in performing the
20 duties required by this section. (Acts 65th Leg., R.S., Ch. 258,
21 Sec. 13A.)

22 Source Law

23 Sec. 13A. (a) Notwithstanding Section
24 26.07(b)(3), Tax Code, a petition to require an
25 election under Section 26.07, Tax Code, on reducing
26 the district's tax rate to the rollback tax rate shall
27 be submitted to the county elections administrator of
28 Montgomery County instead of to the board of directors
29 of the district.

30 (b) Notwithstanding Section 26.07(c), Tax Code,
31 not later than the 20th day after the day a petition is
32 submitted under Subsection (a) of this section, the
33 county elections administrator shall:

34 (1) determine whether the petition is
35 valid under Section 26.07, Tax Code; and

36 (2) certify the determination of the
37 petition's validity to the board of directors of the
38 district.

39 (c) If the county elections administrator fails
40 to act within the time allowed, the petition is treated
41 as if it had been found valid.

42 (d) Notwithstanding Section 26.07(d), Tax Code,
43 if the county elections administrator certifies to the
44 board of directors that the petition is valid or fails
45 to act within the time allowed, the board of directors
46 shall order that an election under Section 26.07, Tax

1 Code, to determine whether to reduce the district's tax
2 rate to the rollback rate be held in the district in
3 the manner prescribed by Section 26.07(d) of that
4 code.

5 (e) The district shall reimburse the county
6 elections administrator for reasonable costs incurred
7 in performing the duties required by this section.

8 [Sections 1063.256-1063.300 reserved for expansion]

9 SUBCHAPTER G. DISSOLUTION

10 Revised Law

11 Sec. 1063.301. DISSOLUTION ELECTION; PETITION. (a) The
12 board may order an election on the question of dissolving the
13 district and disposing of the district's assets and obligations.

14 (b) The board shall order an election on the question of
15 dissolving the district and disposing of the district's assets and
16 obligations if the board receives a petition by district residents
17 requesting an election that:

18 (1) is certified as valid by the Montgomery County
19 elections administrator under Section 1063.302; or

20 (2) the Montgomery County elections administrator
21 fails to act on within the time allowed by Section 1063.302.

22 (c) A petition requesting an election must:

23 (1) state that it is intended to request an election in
24 the district on the question of dissolving the district and
25 disposing of the district's assets and obligations;

26 (2) be signed by a number of district residents equal
27 to at least 15 percent of the total vote received by all candidates
28 for governor in the most recent gubernatorial general election in
29 the district that occurs more than 30 days before the date the
30 petition is submitted; and

31 (3) be submitted to the Montgomery County elections
32 administrator. (Acts 65th Leg., R.S., Ch. 258, Secs. 23A(a),
33 23B(a), (a-3).)

34 Source Law

35 Sec. 23A. (a) The board of directors may order
36 an election on the question of dissolving the district
37 and disposing of the district's assets and
38 obligations.

39 Sec. 23B. (a) The residents of the district by
40 petition may request the board of directors to order an

1 election on the question of dissolving the district
2 and disposing of the district's assets and
3 obligations. A petition must:

4 (1) state that it is intended to request an
5 election in the district on the question of dissolving
6 the district and disposing of the district's assets and
7 obligations;

8 (2) be signed by a number of residents of
9 the district equal to at least 15 percent of the total
10 vote received by all candidates for governor in the
11 most recent gubernatorial general election in the
12 district that occurs more than 30 days before the date
13 the petition is submitted; and

14 (3) be submitted to the county elections
15 administrator of Montgomery County.

16 (a-3) If the county elections administrator
17 certifies to the board of directors that the petition
18 is valid or fails to act within the time allowed, the
19 board of directors shall order that a dissolution
20 election be held in the district in the manner
21 prescribed by this section.

22 Revised Law

23 Sec. 1063.302. VALIDITY OF PETITION FOR ELECTION. (a) Not
24 later than the 30th day after the date a petition requesting the
25 dissolution of the district is submitted under Section 1063.301,
26 the Montgomery County elections administrator shall:

27 (1) determine whether the petition is valid; and

28 (2) certify the determination of the petition's
29 validity to the board.

30 (b) If the elections administrator fails to act within the
31 time allowed, the petition is treated as if it had been found valid.

32 (c) If a petition submitted under Section 1063.301 does not
33 contain the necessary number of valid signatures, the district
34 residents may not submit another petition under Section 1063.301
35 before the third anniversary of the date the invalid petition was
36 submitted.

37 (d) The district shall reimburse the county elections
38 administrator for reasonable costs incurred in performing the
39 duties required by this section. (Acts 65th Leg., R.S., Ch. 258,
40 Secs. 23B(a-1), (a-2), (a-4), (a-5).)

41 Source Law

42 (a-1) Not later than the 30th day after the date
43 a petition requesting the dissolution of the district
44 is submitted under Subsection (a) of this section, the
45 county elections administrator shall:

46 (1) determine whether the petition is
47 valid; and

1 (2) certify the determination of the
2 petition's validity to the board of directors of the
3 district.

4 (a-2) If the county elections administrator
5 fails to act within the time allowed, the petition is
6 treated as if it had been found valid.

7 (a-4) If a petition submitted under Subsection
8 (a) of this section does not contain the necessary
9 number of valid signatures, the residents of the
10 district may not submit another petition under
11 Subsection (a) of this section before the third
12 anniversary of the date the invalid petition was
13 submitted.

14 (a-5) The district shall reimburse the county
15 elections administrator for reasonable costs incurred
16 in performing the duties required by this section.

17 Revised Law

18 Sec. 1063.303. ELECTION DATE. An election under this
19 subchapter shall be held on the earlier of the following dates that
20 occurs at least 90 days after the date on which the election is
21 ordered:

22 (1) the uniform election date in May; or

23 (2) the date of the general election for state and
24 county officers. (Acts 65th Leg., R.S., Ch. 258, Secs. 23A(b),
25 23B(b).)

26 Source Law

27 [Sec. 23A]

28 (b) The election shall be held on the earlier of
29 the following dates that occurs at least 90 days after
30 the date on which the election is ordered:

31 (1) the first Saturday in May; or

32 (2) the date of the general election for
33 state and county officers.

34 [Sec. 23B]

35 (b) The election shall be held on the earlier of
36 the following dates that occurs at least 90 days after
37 the date on which the election is ordered:

38 (1) the first Saturday in May; or

39 (2) the date of the general election for
40 state and county officers.

41 Revisor's Note

42 Sections 23A(b) and 23B(b), Chapter 258, Acts of
43 the 65th Legislature, Regular Session, 1977, as added
44 by Chapter 747, Acts of the 76th Legislature, Regular
45 Session, 1999, provide for an election under either
46 section to be held on the first Saturday in May or the
47 date of the general election for state and county
48 officers. The revised law substitutes "uniform

1 election date in May" for "first Saturday in May" for
2 the reason stated in Revisor's Note (2) to Section
3 1063.051.

4 Revised Law

5 Sec. 1063.304. 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 Montgomery County Hospital
8 District." (Acts 65th Leg., R.S., Ch. 258, Secs. 23A(c) (part),
9 23B(c) (part).)

10 Source Law

11 [Sec. 23A]

12 (c) The ballot for the election shall be printed
13 to permit voting for or against the proposition: "The
14 dissolution of the Montgomery County Hospital
15 District." . . .

16 [Sec. 23B]

17 (c) The ballot for the election shall be printed
18 to permit voting for or against the proposition: "The
19 dissolution of the Montgomery County Hospital
20 District." . . .

21 Revisor's Note

22 Sections 23A(c) and 23B(c), Chapter 258, Acts of
23 the 65th Legislature, Regular Session, 1977, require
24 an election on the dissolution of the district to be
25 held in accordance with the applicable provisions of
26 the Election Code. The revised law omits the
27 requirement because it duplicates Section 1.002,
28 Election Code, which provides that the Election Code
29 applies to all elections held in this state. The
30 omitted law reads:

31 [Sec. 23A]

32 (c) . . . The election shall be held
33 in accordance with the applicable
34 provisions of the Election Code.

35 [Sec. 23B]

36 (c) . . . The election shall be held
37 in accordance with the applicable
38 provisions of the Election Code.

39 Revised Law

40 Sec. 1063.305. ELECTION RESULTS. (a) If a majority of the
41 votes in an election under this subchapter favor dissolution, the

1 board shall find that the district is dissolved.

2 (b) If a majority of the votes in the election do not favor
3 dissolution, the board shall continue to administer the district
4 and another election on the question of dissolution may not be held
5 before:

6 (1) the fourth anniversary of the date of the most
7 recent election to dissolve the district if the board called the
8 election under Section 1063.301(a); or

9 (2) the third anniversary of the date of the most
10 recent election to dissolve the district if the board called the
11 election under Section 1063.301(b). (Acts 65th Leg., R.S., Ch. 258,
12 Secs. 23A(d), 23B(d).)

13 Source Law

14 [Sec. 23A]

15 (d) If a majority of the votes in the election
16 favor dissolution, the board of directors shall find
17 that the district is dissolved. If a majority of the
18 votes in the election do not favor dissolution, the
19 board of directors shall continue to administer the
20 district and another election on the question of
21 dissolution may not be held before the fourth
22 anniversary of the most recent election to dissolve
23 the district.

24 [Sec. 23B]

25 (d) If a majority of the votes in the election
26 favor dissolution, the board of directors shall find
27 that the district is dissolved. If less than a
28 majority of the votes in the election favor
29 dissolution, the board of directors shall continue to
30 administer the district and another election on the
31 question of dissolution may not be held before the
32 third anniversary of the most recent election to
33 dissolve the district.

34 Revisor's Note

35 Sections 23A(d) and 23B(d), Chapter 258, Acts of
36 the 65th Legislature, Regular Session, 1977, provide
37 timelines for subsequent elections on the question of
38 dissolution in the event that the majority of votes in
39 an election do not favor dissolution. The timelines
40 vary according to the method of calling the election.
41 Those methods are revised in Subsections (a) and (b) of
42 Section 1063.301, and the revised law is drafted
43 accordingly.

1 Revised Law

2 Sec. 1063.306. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS
3 IF ELECTION INITIATED BY BOARD. (a) This section, Section
4 1063.307, and Section 1063.308 apply to an election called under
5 Section 1063.301(a).

6 (b) If a majority of the votes in the election favor
7 dissolution, the board shall:

8 (1) transfer the ambulance service and related
9 equipment, any vehicles, and any mobile clinics and related
10 equipment that belong to the district to Montgomery County not
11 later than the 45th day after the date on which the election is
12 held; and

13 (2) transfer the land, buildings, improvements,
14 equipment not described by Subdivision (1), and other assets that
15 belong to the district to Montgomery County or administer the
16 property, assets, and debts in accordance with Subsection (e) and
17 Sections 1063.307 and 1063.308.

18 (c) The county assumes all debts and obligations of the
19 district relating to the ambulance service and related equipment,
20 any vehicles, and any mobile clinics and related equipment at the
21 time of the transfer.

22 (d) If the district makes the transfer under Subsection
23 (b)(2), the county assumes all debts and obligations of the
24 district relating to those assets at the time of the transfer, and
25 the district is dissolved.

26 (e) If the board finds that the district is dissolved but
27 does not transfer the land, buildings, improvements, equipment, and
28 other assets to Montgomery County under Subsection (b)(2), the
29 board shall continue to control and administer that property and
30 those assets and the related district debts until all money has been
31 disposed of and all district debts have been paid or settled.

32 (f) The county shall use all transferred assets to:

33 (1) pay the outstanding debts and obligations of the
34 district relating to the assets at the time of the transfer; or

1 (2) provide medical and hospital care for needy county
2 residents. (Acts 65th Leg., R.S., Ch. 258, Secs. 23A(e), (f), (g).)

3 Source Law

4 (e) If a majority of the votes in the election
5 favor dissolution, the board of directors shall:

6 (1) transfer the ambulance service and
7 related equipment, any vehicles, and any mobile
8 clinics and related equipment that belong to the
9 district to Montgomery County not later than the 45th
10 day after the date on which the election is held; and

11 (2) transfer the land, buildings,
12 improvements, equipment not described by Subdivision
13 (1) of this subsection, and other assets that belong to
14 the district to Montgomery County or administer the
15 property, assets, and debts in accordance with
16 Subsections (g)-(k) of this section.

17 (f) The county assumes all debts and obligations
18 of the district relating to the ambulance service and
19 related equipment, any vehicles, and any mobile
20 clinics and related equipment at the time of the
21 transfer. If the district also transfers the land,
22 buildings, improvements, equipment, and other assets
23 to Montgomery County under Subsection (e)(2) of this
24 section, the county assumes all debts and obligations
25 of the district relating to those assets at the time of
26 the transfer and the district is dissolved. The county
27 shall use all transferred assets to:

28 (1) pay the outstanding debts and
29 obligations of the district relating to the assets at
30 the time of the transfer; or

31 (2) furnish medical and hospital care for
32 the needy residents of the county.

33 (g) If the board of directors finds that the
34 district is dissolved but does not transfer the land,
35 buildings, improvements, equipment, and other assets
36 to Montgomery County under Subsection (e)(2) of this
37 section, the board of directors shall continue to
38 control and administer that property and those assets
39 and the related debts of the district until all funds
40 have been disposed of and all district debts have been
41 paid or settled.

42 Revised Law

43 Sec. 1063.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
44 TAXES. (a) After the board finds that the district is dissolved,
45 the board shall:

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

47 (2) impose on the property included on the district's
48 tax rolls a tax that is in proportion of the debt to the property
49 value.

50 (b) On the payment of all outstanding debts and obligations
51 of the district, the board shall order the secretary to return:

52 (1) to each district taxpayer the taxpayer's pro rata
53 share of all unused tax money; and

1 (2) to Montgomery County all unused district money
2 from any other source.

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 send the money to the county tax assessor-collector.

7 (d) Montgomery County shall use unused district money
8 received under this section to provide medical and hospital care
9 for needy county residents.

10 (e) The board may institute a suit to enforce payment of
11 taxes under this section and to foreclose liens to secure the
12 payment of the taxes. (Acts 65th Leg., R.S., Ch. 258, Secs. 23A(h),
13 (i), (j).)

14 Source Law

15 (h) After the board of directors finds that the
16 district is dissolved, the board of directors shall:

17 (1) determine the debt owed by the
18 district; and

19 (2) impose on the property included in the
20 district's tax rolls a tax that is in proportion of the
21 debt to the property value.

22 (i) The board of directors may institute a suit
23 to enforce payment of taxes and to foreclose liens to
24 secure the payment of taxes due the district.

25 (j) When all outstanding debts and obligations
26 of the district are paid, the board of directors shall
27 order the secretary to return the pro rata share of all
28 unused tax money to each district taxpayer and all
29 unused district money from any other source to
30 Montgomery County. A taxpayer may request that the
31 taxpayer's share of surplus tax money be credited to
32 the taxpayer's county taxes. If a taxpayer requests
33 the credit, the board of directors shall direct the
34 secretary to transmit the funds to the county tax
35 assessor-collector. Montgomery County shall use
36 unused district money received under this section to
37 furnish medical and hospital care for the needy
38 residents of the county.

39 Revised Law

40 Sec. 1063.308. REPORT; DISSOLUTION ORDER. (a) After the
41 district has paid all district debts and has disposed of all
42 district money and other assets as prescribed by this subchapter,
43 the board shall file a written report with the Commissioners Court
44 of Montgomery County summarizing the board's actions in dissolving
45 the district.

46 (b) Not later than the 10th day after the date the

1 Commissioners Court of Montgomery 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. (Acts 65th Leg., R.S., Ch. 258, Sec. 23A(k).)

5 Source Law

6 (k) After the district has paid all its debts
7 and has disposed of all its assets and funds as
8 prescribed by this section, the board of directors
9 shall file a written report with the Commissioners
10 Court of Montgomery County setting forth a summary of
11 the board of directors' actions in dissolving the
12 district. Not later than the 10th day after it
13 receives the report and determines that the
14 requirements of this section have been fulfilled, the
15 commissioners court shall enter an order dissolving
16 the district.

17 Revised Law

18 Sec. 1063.309. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS
19 IF ELECTION INITIATED BY DISTRICT PETITION. (a) This section
20 applies to an election called under Section 1063.301(b).

21 (b) If a majority of the votes in the election favor
22 dissolution, the board shall transfer the land, buildings,
23 improvements, equipment, and other assets that belong to the
24 district to Montgomery County not later than the 45th day after the
25 date on which the election is held.

26 (c) The county assumes all debts and obligations of the
27 district at the time of the transfer, and the district is dissolved.

28 (d) The county should use all transferred assets in a manner
29 that benefits county residents residing in territory formerly
30 constituting the district.

31 (e) The county shall use all transferred assets to:

32 (1) pay the outstanding debts and obligations of the
33 district relating to the assets at the time of the transfer; or

34 (2) provide medical and hospital care for needy county
35 residents. (Acts 65th Leg., R.S., Ch. 258, Sec. 23B(e).)

36 Source Law

37 (e) If a majority of the votes in the election
38 favor dissolution, the board of directors shall
39 transfer the land, buildings, improvements,
40 equipment, and other assets that belong to the
41 district to Montgomery County not later than the 45th
42 day after the date on which the election is held. The

1 county assumes all debts and obligations of the
2 district at the time of the transfer and the district
3 is dissolved. The county should use all transferred
4 assets in a manner that benefits residents of the
5 county residing in territory formerly constituting the
6 district. The county shall use all transferred assets
7 to:

8 (1) pay the outstanding debts and
9 obligations of the district relating to the assets at
10 the time of the transfer; or

11 (2) furnish medical and hospital care for
12 the needy residents of the county.

13 Revisor's Note
14 (End of Subchapter)

15 Section 2, Chapter 529, Acts of the 78th
16 Legislature, Regular Session, 2003, and Section 3,
17 Chapter 476, Acts of the 79th Legislature, Regular
18 Session, 2005, provide transition procedures related
19 to petitions to dissolve the district. The revised law
20 omits those provisions as executed. The omitted law
21 reads:

22 [Acts 78th Leg., R.S., Ch. 529]

23 Sec. 2. This Act takes effect
24 September 1, 2004, and applies only to a
25 petition requesting the dissolution of the
26 district filed on or after that date.

27 [Acts 79th Leg., R.S., Ch. 476]

28 Sec. 3. The change in law made by
29 this Act applies only to a petition filed on
30 or after the effective date of this Act. A
31 petition filed before the effective date of
32 this Act is governed by the law in effect on
33 the date the petition was filed, and the
34 former law is continued in effect for that
35 purpose.

36 Revisor's Note
37 (End of Chapter)

38 (1) Sections 2 and 20, Chapter 258, Acts of the
39 65th Legislature, Regular Session, 1977, provide for
40 the transfer of certain land, buildings, improvements,
41 equipment, funds, and taxes to the district after the
42 district is created and provide for the assumption of
43 debt by the district on creation. The revised law
44 omits the provisions as executed. The omitted law
45 reads:

46 Sec. 2. [The district] shall take
47 over and there shall be transferred to it
48 title to all land, buildings, improvements,
49 and equipment pertaining to the hospitals

1 or hospital system owned by the county or
2 any city or town within the boundaries of
3 the proposed district and The
4 district shall assume the outstanding
5 indebtedness incurred by any city or town
6 within the district or by the county for
7 hospital purposes within the boundaries of
8 the district.

9 Sec. 20. . . . When the district is
10 created and established, the county and all
11 towns and cities located wholly or partly
12 therein shall convey and transfer to the
13 district title to all land, buildings,
14 improvements, and equipment in anywise
15 pertaining to a hospital or hospital system
16 located wholly within the district which
17 may be jointly or separately owned by the
18 county or any city or town within the
19 district. Operating funds and reserves for
20 operating expenses which are on hand and
21 funds which have been budgeted for hospital
22 purposes by the county or any city or town
23 therein for the remainder of the fiscal year
24 in which the district is created shall
25 likewise be transferred to the district, as
26 shall taxes previously levied for hospital
27 purposes for the current year, and all
28 sinking funds established for payment of
29 indebtedness assumed by the district.

30 (2) Section 23, Chapter 258, Acts of the 65th
31 Legislature, Regular Session, 1977, provides
32 legislative intent regarding the creation of the
33 district and the determination of qualified electors.
34 The revised law omits that section as executed. The
35 omitted law reads:

36 Sec. 23. The legislature hereby
37 recognizes there is some confusion as to the
38 proper qualification of electors in the
39 light of recent court decisions. It is the
40 intention of this Act to provide a procedure
41 for the creation of the hospital district
42 and to allow the district, when created, to
43 issue bonds payable from taxation, but that
44 in each instance the authority shall be
45 predicated on the expression of the will of
46 the majority of those who cast valid ballots
47 at an election called for the purpose.
48 Should the body calling an election
49 determine that all qualified electors,
50 including those who own taxable property
51 which has been duly rendered for taxation,
52 should be permitted to vote at an election
53 by reason of the aforesaid court decisions
54 nothing herein shall be construed as a
55 limitation on the power to call and hold an
56 election; provided provision is made for
57 the voting, tabulating, and counting of the
58 ballots of the resident qualified property
59 taxpaying electors separately from those
60 who are qualified electors, and in any
61 election so called a majority vote of the

1 resident qualified property taxpaying
2 voters and a majority vote of the qualified
3 electors, including those who own taxable
4 property which has been duly rendered for
5 taxation, shall be required to sustain the
6 proposition.

7 (3) Section 24, Chapter 258, Acts of the 65th
8 Legislature, Regular Session, 1977, provides for that
9 act to expire if the district has not been created
10 before a certain date. The revised law omits the
11 provision as executed. The omitted law reads:

12 Sec. 24. If a hospital district has
13 not been created under this Act by January
14 1, 1982, then the Act will no longer be in
15 effect.

16 (4) Section 25, Chapter 258, Acts of the 65th
17 Legislature, Regular Session, 1977, provides that
18 public notice was provided in a manner that satisfies
19 the requirements of the Texas Constitution. The
20 revised law omits that section as executed. The
21 omitted law reads:

22 Sec. 25. Proof of publication of the
23 notice required in the enactment hereof
24 under the provisions of Article IX, Section
25 9, of the Texas Constitution, has been made
26 in the manner and form provided by law
27 pertaining to the enactment of local and
28 special laws, and the notice is hereby found
29 and declared proper and sufficient to
30 satisfy the requirement.

31 (5) Section 3, Chapter 479, Acts of the 67th
32 Legislature, Regular Session, 1981, validates all
33 proceedings and actions relating to the creation of
34 the district and certain other matters related to the
35 district. The revised law omits the provisions as
36 executed. The omitted law reads:

37 Sec. 3. (a) The election and all
38 proceedings and actions relating to the
39 creation of the Montgomery County Hospital
40 District are validated, notwithstanding
41 that the election, proceedings, and actions
42 may not have been conducted in accordance
43 with law.

44 (b) The elections of the boards of
45 directors of the Montgomery County Hospital
46 District are validated, notwithstanding
47 that the elections may not have been
48 conducted in accordance with law.

49 (c) All proceedings and actions of

1 the Montgomery County Hospital District's
2 boards of directors concerning any aspect
3 of the maintenance, operation, and
4 financing of the district are validated,
5 notwithstanding that the proceedings or
6 actions may not have been conducted in
7 accordance with law or that the elections of
8 directors may not have been conducted in
9 accordance with law.

10 (d) This Act does not validate an
11 election, proceeding, or action the
12 validity of which is contested in
13 litigation pending at the time this Act
14 becomes effective, if the litigation is
15 ultimately determined against the validity
16 of the election, proceeding, or action.

17 (6) Sections 8 and 9, Chapter 267, Acts of the
18 73rd Legislature, Regular Session, 1993, contain
19 legislative findings relating to the performance of
20 all requirements of the Texas Constitution and to the
21 authority of the legislature to enact Chapter 267. The
22 revised law omits those provisions as executed. The
23 omitted law reads:

24 Sec. 8. The legislature finds that
25 all of the requirements of the Texas
26 Constitution have been performed or
27 accomplished as required, and in the time
28 and order required, and that the
29 legislature has the power and authority to
30 enact this Act.

31 Sec. 9. The legislature hereby
32 declares that the enactment of this Act is
33 in fulfillment of authority conferred on it
34 by Article IX, Section 9, of the Texas
35 Constitution; that the Montgomery County
36 Hospital District and the indigent health
37 care services and other health care
38 services and facilities that it is able to
39 provide or arrange for the provision of are
40 essential to and operate on a subject in
41 which the state and public at large are
42 interested; and that the provisions of this
43 Act therefore operate on a subject in which
44 the state and the public are interested.
45 All the terms and provisions of this Act are
46 to be liberally construed to effectuate the
47 purposes set forth herein.

48 CHAPTER 1064. MOORE COUNTY HOSPITAL DISTRICT

49 SUBCHAPTER A. GENERAL PROVISIONS

50 Sec. 1064.001. DEFINITIONS 225
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14 CHAPTER 1064. MOORE COUNTY HOSPITAL DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

- 17 Sec. 1064.001. 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 Moore County Hospital
 22 District. (New.)

23 Revisor's Note

24 The definitions of "board," "director," and
 25 "district" are added to the revised law for drafting
 26 convenience and to eliminate frequent, unnecessary
 27 repetition of the substance of the definitions.

28 Revised Law

29 Sec. 1064.002. AUTHORITY FOR OPERATION. The Moore County
 30 Hospital District operates in accordance with Section 9, Article
 31 IX, Texas Constitution, and has the rights, powers, and duties
 32 provided by this chapter. (Acts 61st Leg., R.S., Ch. 287, Sec. 1
 33 (part).)

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Source Law

Sec. 1. In accordance with the provisions of Article IX, Section 9, of the Texas Constitution, this Act shall be operative so as to authorize the creation, establishment, maintenance, and operation of a hospital district within this state . . . to be known as "Moore County Hospital District," with such rights, powers, and duties as provided in this Act.

Revisor's Note

Section 1, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, authorizes the "creation, establishment, maintenance, and operation" of the district. The revised law omits "creation" and "establishment" as executed. The revised law omits "maintenance" because, in this context, the meaning of that term is included in the meaning of "operation."

Revised Law

Sec. 1064.003. ESSENTIAL PUBLIC FUNCTION. The district performs an essential public function in carrying out the purposes of this chapter. (Acts 61st Leg., R.S., Ch. 287, Sec. 21 (part).)

Source Law

Sec. 21. In carrying out the purposes of this Act, the district will be performing an essential public function and

Revised Law

Sec. 1064.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Moore County, Texas, unless the boundaries are expanded under Subchapter D. (Acts 61st Leg., R.S., Ch. 287, Secs. 1 (part), 1A (part).)

Source Law

Sec. 1. . . . with boundaries coextensive with the boundaries of Moore County, Texas,
Sec. 1A. . . . territory . . . may be annexed or added to the area included in the boundaries of the proposed district set forth in Section 1.

Revised Law

Sec. 1064.005. 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 61st Leg., R.S., Ch. 287, Sec. 22 (part).)

2 Source Law

3 Sec. 22. . . . [federal or state constitutions]
4 Where any procedure hereunder may be held by
5 any court to be violative of either of such
6 constitutions, the district shall have the power by
7 resolution to provide an alternative procedure
8 conformable with such constitutions. . . .

9 Revisor's Note

10 Section 22, Chapter 287, Acts of the 61st
11 Legislature, Regular Session, 1969, provides that the
12 act does not violate the federal or state constitution
13 and requires that action under the act comply with the
14 constitutions. The revised law omits the reference to
15 the federal constitution because, under the Supremacy
16 Clause of the United States Constitution (Clause 2,
17 Article VI), federal law always takes precedence over
18 a state statute. The revised law also omits the
19 reference to the Texas Constitution because the state
20 cannot modify constitutional requirements by statute.
21 The omitted law reads:

22 Sec. 22. Nothing in this Act shall be
23 construed to violate any provision of the
24 federal or state constitutions, and all
25 acts done under this Act shall be in such
26 manner as will conform thereto, whether
27 expressly provided or not. . . .

28 Revised Law

29 Sec. 1064.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
30 OBLIGATION. The support and maintenance of the district may not
31 become a charge against or obligation of this state. (Acts 61st
32 Leg., R.S., Ch. 287, Sec. 20 (part).)

33 Source Law

34 Sec. 20. The support and maintenance of the
35 hospital district shall never become a charge against
36 or obligation of the State of Texas,

37 Revised Law

38 Sec. 1064.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
39 The legislature may not make a direct appropriation for the
40 construction, maintenance, or improvement of a district facility.

1 (Acts 61st Leg., R.S., Ch. 287, Sec. 20 (part).)

2 Source Law

3 Sec. 20. . . . nor shall any direct
4 appropriation be made by the legislature for the
5 construction, maintenance, or improvement of any of
6 the facilities of such district.

7 Revisor's Note
8 (End of Subchapter)

9 Sections 3(a), (b), and (c), Chapter 287, Acts of
10 the 61st Legislature, Regular Session, 1969, provide
11 procedures for holding an election on the creation of
12 the district and the imposition of an ad valorem tax.
13 Because the creation of the district and the
14 imposition of the tax were approved at the election,
15 the revised law omits the relevant law as executed.
16 The omitted law reads:

17 Sec. 3. (a) The district shall not
18 be created, nor shall any tax therein be
19 authorized unless and until such creation
20 and such tax are approved by a majority of
21 the qualified property taxpaying electors
22 of the area of the proposed district voting
23 at an election called for that purpose.
24 Such election may be called by the County
25 Judge of Moore County or shall be called by
26 the county judge upon presentation of a
27 petition therefor signed by at least 100
28 qualified property taxpaying electors of
29 the area of the proposed district. . . .
30 further provided, if this district is not
31 confirmed within 5 years of the effective
32 date of this Act, this Act is hereby
33 repealed.

34 (b) At the election there shall be
35 submitted to the qualified property
36 taxpaying electors of the area of the
37 proposed district the proposition of
38 whether the hospital district shall be
39 created with authority to levy annual taxes
40 . . . for the purpose of meeting the
41 requirements of the district's bonds,
42 indebtedness assumed by it, and its
43 maintenance and operating expenses, and a
44 majority of the qualified property
45 taxpaying electors voting at said election
46 in favor of the proposition shall be
47 sufficient for its adoption.

48 (c) The form of ballot used at the
49 election on the creation of the district
50 shall be in conformity with Sections 61, 62,
51 and 63, Texas Election Code, as amended
52 (Articles 6.05, 6.06, 6.07, Vernon's Texas
53 Election Code), so that ballots must be
54 printed to allow for voting for or against
55 the proposition: "The creation of Moore
56 County Hospital District, providing for the

1 levy of a tax not to exceed 75¢ on each \$100
2 valuation upon all taxable property
3 situated within said district subject to
4 hospital district taxation, and providing
5 for the assumption by such district of all
6 outstanding bonds and indebtedness
7 heretofore issued for hospital purposes by
8 Moore County and by any city or town within
9 said county."

10 [Sections 1064.008-1064.050 reserved for expansion]

11 SUBCHAPTER B. DISTRICT ADMINISTRATION

12 Revised Law

13 Sec. 1064.051. DEFINITION. In this subchapter, "medical
14 staff" means physicians who:

15 (1) are licensed to practice medicine in this state;
16 and

17 (2) hold medical staff privileges granted by the
18 district. (Acts 61st Leg., R.S., Ch. 287, Sec. 4(a).)

19 Source Law

20 Sec. 4. (a) In this section, "medical staff"
21 means physicians licensed to practice medicine in this
22 state and holding medical staff privileges granted by
23 the district.

24 Revised Law

25 Sec. 1064.052. BOARD; TERM. (a) The board consists of
26 seven directors, appointed as follows:

27 (1) six directors appointed by the Commissioners Court
28 of Moore County; and

29 (2) one director appointed by the medical staff of the
30 district's hospital in accordance with procedures prescribed by the
31 directors appointed under Subdivision (1).

32 (b) The director appointed under Subsection (a)(2) must be a
33 member of the medical staff of the district's hospital. If the
34 director is no longer a member of the medical staff, the person
35 vacates the position.

36 (c) Directors appointed under Subsection (a)(1) serve
37 staggered three-year terms. The director appointed under
38 Subsection (a)(2) serves a two-year term. (Acts 61st Leg., R.S.,
39 Ch. 287, Secs. 4(b), (c), (d); Acts 76th Leg., R.S., Ch. 1091, Sec.
40 11(c).)

1 Source Law

2 [Sec. 4]

3 (b) The board of directors of the hospital
4 district consists of seven members, appointed as
5 follows:

6 (1) six members appointed by the
7 commissioners court of the county to serve staggered
8 three-year terms; and

9 (2) one member appointed by the medical
10 staff of the district's hospital under Subsection (d)
11 of this section to serve a two-year term.

12 (c) The member of the board of directors
13 appointed under Subsection (b)(2) of this section must
14 be a member of the medical staff of the district's
15 hospital. If the member is no longer a member of the
16 medical staff, the person vacates the position.

17 (d) The members of the board of directors
18 appointed under Subsection (b)(1) of this section
19 shall prescribe the procedures by which the medical
20 staff of the district's hospital shall select a board
21 member under this section.

22 [Sec. 11]

23 (c) Subsequent appointees of the Moore County
24 Commissioners Court serve three-year terms.

25 Revised Law

26 Sec. 1064.053. QUALIFICATIONS FOR OFFICE. (a) A person may
27 not be appointed as a director unless the person is:

28 (1) a district resident; and

29 (2) a qualified voter.

30 (b) Except as provided by Section 1064.052(a)(2), a person
31 is not eligible to serve as a director if the person is:

32 (1) a district administrator;

33 (2) a district employee; or

34 (3) a member of the medical staff. (Acts 61st Leg.,
35 R.S., Ch. 287, Sec. 4(f).)

36 Source Law

37 (f) No person shall be appointed as a member of
38 the board of directors unless the person is a resident
39 of the district and a qualified voter. Except as
40 provided by Subsections (b)(2) and (c) of this
41 section, a district administrator, employee, or a
42 member of the medical staff is not eligible to serve as
43 a director.

44 Revised Law

45 Sec. 1064.054. BOARD VACANCY. If a vacancy occurs in the
46 office of a director, the entity that appointed the vacating
47 director shall appoint a director for the unexpired term. (Acts
48 61st Leg., R.S., Ch. 287, Sec. 4(e).)

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Source Law

(e) Vacancies in office shall be filled for the unexpired term by the same appointing entity that appointed the vacating member.

Revised Law

Sec. 1064.055. OFFICERS. (a) The board shall elect:

(1) a president and a vice president from among its members; and

(2) a secretary, who need not be a director.

(b) Each officer of the board serves for a term of one year.

(c) The board shall fill a vacancy in a board office for the unexpired term. (Acts 61st Leg., R.S., Ch. 287, Sec. 4(g) (part).)

Source Law

(g) The board of directors shall organize by electing one of their number as president and one of their number as vice president. A secretary, who need not be a director, shall also be elected. Officers shall be elected for a term of one year and vacancies shall be filled for the unexpired term by the board of directors. . . .

Revised Law

Sec. 1064.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

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

(2) approved by the board. (Acts 61st Leg., R.S., Ch. 287, Sec. 4(g) (part).)

Source Law

(g) . . . All members of the board of directors and officers shall serve without compensation, but may be reimbursed for actual expenses incurred in the performance of their official duties upon the approval of such expenses by the board of directors and so reported in the minute book of the district or other records of the district.

Revisor's Note

Section 4(g), Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, requires that approved expenses be reported in the "minute book of the district or other records of the district." The

1 revised law omits the reference to the "minute book of
2 the district" because the minute book is a district
3 record.

4 Revised Law

5 Sec. 1064.057. VOTING REQUIREMENT. A concurrence of four
6 directors is sufficient in any matter relating to district
7 business. (Acts 61st Leg., R.S., Ch. 287, Sec. 4(g) (part).)

8 Source Law

9 (g) . . . [members of the board of directors]
10 . . . a concurrence of four shall be sufficient in all
11 matters pertaining to the business of the district.
12 . . .

13 Revisor's Note

14 Section 4(g), Chapter 287, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that four
16 directors constitute a quorum. The revised law omits
17 that provision because it duplicates Section 311.013,
18 Government Code (Code Construction Act), which
19 provides that a quorum of a public body is a majority
20 of the number of members fixed by statute. The omitted
21 law reads:

22 (g) . . . Any four members of the
23 board of directors shall constitute a
24 quorum and . . .

25 Revised Law

26 Sec. 1064.058. ADMINISTRATOR; ASSISTANT ADMINISTRATOR.

27 (a) The board shall appoint a qualified person as district
28 administrator.

29 (b) The board may appoint an assistant administrator.

30 (c) The administrator and any assistant administrator serve
31 at the will of the board and are entitled to the compensation
32 determined by the board.

33 (d) On assuming the duties of district administrator, the
34 administrator shall execute a bond payable to the district in an
35 amount set by the board of not less than \$500,000 that:

36 (1) is conditioned on the administrator performing the
37 administrator's duties; and

1 (2) contains any other conditions the board requires.
2 (Acts 61st Leg., R.S., Ch. 287, Sec. 5 (part).)

3 Source Law

4 Sec. 5. . . . The board of directors shall
5 appoint a qualified person to be known as the
6 administrator or manager of the hospital district and
7 may in its discretion appoint an assistant to the
8 administrator or manager. Such administrator or
9 manager and assistant administrator or manager, if
10 any, shall serve at the will of the board and shall
11 receive such compensation as may be fixed by the board.
12 The administrator or manager shall, upon assuming his
13 duties, execute a bond payable to the hospital
14 district in an amount to be set by the board of
15 directors, in no event less than \$500,000 conditioned
16 that he shall perform the duties required of him, and
17 containing such other conditions as the board may
18 require. . . .

19 Revisor's Note

20 Section 5, Chapter 287, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that the
22 board shall appoint a person as the "administrator or
23 manager" of the district and may appoint an "assistant
24 administrator or manager." Throughout this chapter,
25 the revised law omits "manager" because, in context,
26 "manager" is included in the meaning of
27 "administrator" and "administrator" is the term used
28 by the district.

29 Revised Law

30 Sec. 1064.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
31 Subject to any limitations prescribed by the board, the district
32 administrator shall:

- 33 (1) supervise the work and activities of the district;
34 and
35 (2) direct the affairs of the district. (Acts 61st
36 Leg., R.S., Ch. 287, Sec. 5 (part).)

37 Source Law

38 Sec. 5. . . . The administrator or manager
39 shall supervise all the work and activities of the
40 district and shall have general direction of the
41 affairs of the district, subject to the limitations as
42 may be prescribed by the board. . . .

1 Revised Law

2 Sec. 1064.060. APPOINTMENT OF STAFF; EMPLOYEES. (a) The
3 board may appoint doctors to the staff as the board considers
4 necessary for the efficient operation of the district and may make
5 temporary appointments to the staff if warranted.

6 (b) The board may employ physicians or other health care
7 providers as the board considers necessary for the efficient
8 operation of the district.

9 (c) The district may employ fiscal agents, accountants,
10 architects, and attorneys as the board considers proper.

11 (d) The board may delegate to the district administrator the
12 authority to employ technicians, nurses, and other district
13 employees, except physicians.

14 (e) This section does not authorize the board to supervise
15 or control the practice of medicine, as prohibited by Subtitle B,
16 Title 3, Occupations Code. (Acts 61st Leg., R.S., Ch. 287, Secs. 5
17 (part), 16.)

18 Source Law

19 Sec. 5. . . . The board of directors shall have
20 the authority to appoint to the staff such doctors as
21 it may be deemed necessary for the efficient operation
22 of the district, and may provide for temporary
23 appointments to the staff if warranted by
24 circumstances. The board may employ physicians or
25 other health care providers as the board considers
26 necessary for the efficient operation of the district.
27 This section does not authorize the board to supervise
28 or control the practice of medicine, as prohibited by
29 Subtitle B, Title 3, Occupations Code. The board may
30 delegate to the administrator or manager the authority
31 to employ technicians, nurses, and employees of the
32 district other than physicians. . . .

33 Sec. 16. The district may employ fiscal agents,
34 accountants, architects, and attorneys as the board
35 may consider proper.

36 Revised Law

37 Sec. 1064.061. SENIORITY; RETIREMENT BENEFITS. The board
38 may:

39 (1) adopt rules related to the seniority of district
40 employees, including rules for a retirement plan based on
41 seniority; and

42 (2) give effect to previous years of service for a

1 district employee continuously employed in the operation or
2 management of hospital facilities:

3 (A) constructed by the district; or

4 (B) acquired by the district, including
5 facilities acquired when the district was created. (Acts 61st
6 Leg., R.S., Ch. 287, Sec. 5 (part).)

7 Source Law

8 Sec. 5. . . . The board is given full authority
9 to establish rules and regulations relating to
10 seniority of employees of the district, including a
11 retirement plan based thereon, and may give effect to
12 previous years of service for those employees who have
13 been continuously employed in the operation or
14 management of the hospital facilities acquired,
15 including those acquired upon the creation thereof by
16 reason of Section 2 of this Act, or constructed by the
17 district. . . .

18 Revisor's Note

19 (1) Section 5, Chapter 287, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to "rules
21 and regulations" established by the board. Throughout
22 this chapter, the revised law omits references to
23 "regulations" because under Section 311.005,
24 Government Code (Code Construction Act), a rule is
25 defined to include a regulation.

26 (2) Section 5, Chapter 287, Acts of the 61st
27 Legislature, Regular Session, 1969, refers to
28 facilities acquired on creation "by reason of Section
29 2 of this Act." The revised law omits the quoted
30 language because the relevant portions of Section 2
31 were omitted for the reason stated in End of Chapter
32 Revisor's Note (1).

33 [Sections 1064.062-1064.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 1064.101. DISTRICT RESPONSIBILITY. The district has
37 full responsibility for providing hospital care for the district's
38 indigent residents. (Acts 61st Leg., R.S., Ch. 287, Sec. 19
39 (part).)

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Source Law

Sec. 19. . . . The said hospital district shall assume full responsibility for providing hospital care for the indigents residing within the district. . . .

Revisor's Note

Section 19, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, provides that the district "shall assume" full responsibility for providing hospital care for the district's indigent residents. The revised law substitutes "has" for the quoted language because the duty to assume the responsibility is executed.

Revised Law

Sec. 1064.102. RESTRICTION ON POLITICAL SUBDIVISION TAXATION AND DEBT. A political subdivision located within the district may not impose a tax or issue bonds or other obligations for hospital purposes or to provide medical care. (Acts 61st Leg., R.S., Ch. 287, Sec. 19 (part).)

Source Law

Sec. 19. After creation of the hospital district, no municipality or political subdivision within the boundaries of the district shall have the power to levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care. . . .

Revisor's Note

(1) Section 19, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, provides that "[a]fter creation of the hospital district," certain political subdivisions may not levy taxes or issue bonds. The revised law omits the quoted language as executed. In addition, throughout this chapter, the revised law substitutes "impose" for "levy" because, in this context, the terms are synonymous and the former is more commonly used.

(2) Section 19, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, refers to a "municipality or political subdivision." The revised

1 law omits the reference to "municipality" because
2 "municipality" is included in the meaning of
3 "political subdivision."

4 Revised Law

5 Sec. 1064.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
6 The board shall manage, control, and administer the hospital system
7 and the district's money and resources. (Acts 61st Leg., R.S., Ch.
8 287, Sec. 5 (part).)

9 Source Law

10 Sec. 5. The board of directors shall manage,
11 control, and administer the hospital system and all
12 funds and resources of the district, but

13 Revised Law

14 Sec. 1064.104. HOSPITAL SYSTEM; ANCILLARY HEALTH CARE
15 SERVICES SYSTEM. (a) The district shall provide for the
16 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 and treatment of
24 the sick or injured;

25 (2) facilities for outpatient clinics;

26 (3) dispensaries;

27 (4) facilities for geriatric domiciliary care;

28 (5) convalescent home facilities;

29 (6) necessary nurses' domiciliaries and training
30 centers;

31 (7) blood banks;

32 (8) community mental health centers;

33 (9) research centers or laboratories; and

34 (10) any other facilities the board considers
35 necessary for hospital care. (Acts 61st Leg., R.S., Ch. 287, Secs.

1 2 (part), 9 (part).)

2 Source Law

3 Sec. 2. . . . the district shall provide for the
4 establishment of a hospital system by the purchase,
5 construction, acquisition, repair, or renovation of
6 buildings and equipment, and equipping same, and the
7 administration thereof for hospital purposes. . . .

8 Sec. 9. . . . The hospital system may include
9 facilities for domiciliary care of the sick, wounded,
10 and injured, facilities for out-patient clinic or
11 clinics, dispensaries, facilities for geriatric
12 domiciliary care, convalescent home facilities,
13 necessary nurses' domiciliaries and training centers,
14 blood banks, community mental health centers, and
15 research centers or laboratories, and any other
16 facilities deemed necessary for hospital care by the
17 directors. . . .

18 Revisor's Note

19 Section 9, Chapter 287, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to the care
21 of the "sick, wounded, and injured." The revised law
22 omits the reference to "wounded" because the meaning
23 of "wounded" is included in the meaning of "injured."

24 Revised Law

25 Sec. 1064.105. RULES. The board may adopt rules governing
26 the operation of the hospital, the hospital system, and the
27 district's staff and employees. (Acts 61st Leg., R.S., Ch. 287,
28 Sec. 5 (part).)

29 Source Law

30 Sec. 5. . . . The district, through its board of
31 directors, shall have the power and authority . . . to
32 promulgate rules and regulations governing the
33 operation of the hospital, hospital system, its staff,
34 and its employees. . . .

35 Revisor's Note

36 Section 5, Chapter 287, Acts of the 61st
37 Legislature, Regular Session, 1969, provides that the
38 board may "promulgate" rules to govern the district.
39 The revised law substitutes "adopt" for "promulgate"
40 because the terms are synonymous and the former is more
41 commonly used.

42 Revised Law

43 Sec. 1064.106. PURCHASING AND ACCOUNTING PROCEDURES. The

1 board may prescribe:

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

4 (2) all accounting and control procedures. (Acts 61st
5 Leg., R.S., Ch. 287, Sec. 10 (part).)

6 Source Law

7 Sec. 10. The board of directors of such district
8 shall have the power to prescribe the method and manner
9 of making purchases and expenditures by and for such
10 hospital district, and shall also be authorized to
11 prescribe all accounting and control procedures. . . .

12 Revised Law

13 Sec. 1064.107. 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 lease all or part of the district's
18 buildings and other facilities on terms considered to be in the best
19 interest of the district's inhabitants. The term of the lease may
20 not exceed 25 years.

21 (c) The district may acquire equipment for use in the
22 district's hospital system and mortgage or pledge the property as
23 security for the payment of the purchase price.

24 (d) The district may sell or otherwise dispose of any
25 property, including equipment, on terms the board finds are in the
26 best interest of the district's inhabitants. (Acts 61st Leg.,
27 R.S., Ch. 287, Secs. 9 (part), 10 (part).)

28 Source Law

29 Sec. 9. The board of directors is hereby given
30 complete discretion as to the type of buildings, both
31 as to number and location, required to establish and
32 maintain an adequate hospital system. . . . The
33 district, through its board of directors, . . . may
34 lease all or part of its buildings and facilities upon
35 terms and conditions considered to be to the best
36 interest of its inhabitants, provided that in no event
37 shall any lease be for a period in excess of 25 years
38 from the date entered. The district shall be empowered
39 to sell or otherwise dispose of any property or
40 equipment of any nature upon terms and conditions
41 found by the board to be in the best interest of its
42 inhabitants.

43 Sec. 10. . . . The district may acquire
44 equipment for use in its hospital system and mortgage

1 or pledge the property so acquired as security for the
2 payment of the purchase price,

3 Revisor's Note

4 (1) Section 9, Chapter 287, Acts of the 61st
5 Legislature, Regular Session, 1969, requires the board
6 to determine the buildings required to "establish and
7 maintain" an adequate hospital system. The revised
8 law omits the reference to establishing the hospital
9 system as executed.

10 (2) Section 9, Chapter 287, Acts of the 61st
11 Legislature, Regular Session, 1969, refers to "terms
12 and conditions." The revised law omits the reference
13 to "conditions" because "conditions" is included in
14 the meaning of "terms."

15 Revised Law

16 Sec. 1064.108. 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 for the district to exercise
20 a power, right, or privilege conferred 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
28 for costs in the trial court;

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

31 (3) provide a bond for costs or a supersedeas bond on
32 an appeal or petition for review. (Acts 61st Leg., R.S., Ch. 287,
33 Sec. 14.)

34 Source Law

35 Sec. 14. The district shall have the right and
36 power of eminent domain for the purpose of acquiring by

1 condemnation any and all property of any kind and
2 character in fee simple, or any lesser interest
3 therein, within the boundaries of the district
4 necessary to the powers, rights, and privileges
5 conferred by this Act, in the manner provided by the
6 general law with respect to condemnation by counties,
7 provided that the district shall not be required to
8 make deposits in the registry of the trial court of the
9 sum required by paragraph 2 of Article 3268, Revised
10 Civil Statutes of Texas, 1925, as amended, or to make
11 bond as therein provided. In condemnation proceedings
12 being prosecuted by the district, the district shall
13 not be required to pay in advance or give bond or other
14 security for costs in the trial court, nor to give any
15 bond otherwise required for the issuance of a
16 temporary restraining order or a temporary injunction
17 nor to give bond for costs or for supersedeas on any
18 appeal or writ of error.

19 Revisor's Note

20 (1) Section 14, Chapter 287, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that the
22 district has the "right and power of eminent domain for
23 the purpose of acquiring [property] by condemnation."
24 The revised law substitutes for the quoted language
25 "may exercise the power of eminent domain to acquire
26 [property]" because the phrases have the same meaning,
27 and the latter phrase is consistent with modern usage
28 in laws relating to eminent domain.

29 (2) Section 14, Chapter 287, Acts of the 61st
30 Legislature, Regular Session, 1969, provides that the
31 district must exercise the power of eminent domain in
32 the manner provided by "the general law with respect to
33 condemnation by counties." The revised law
34 substitutes for the quoted language a reference to
35 Chapter 21, Property Code, because that is the general
36 law governing eminent domain for governmental
37 entities, including counties.

38 (3) Section 14, Chapter 287, Acts of the 61st
39 Legislature, Regular Session, 1969, refers to
40 "paragraph 2 of Article 3268, Revised Civil Statutes
41 of Texas, 1925, as amended." That statute was codified
42 in 1983 as Section 21.021(a), Property Code, and the
43 revised law is drafted accordingly. In addition,

1 throughout this chapter, the revised law omits the
2 references to "as amended" because under Section
3 311.027, Government Code (Code Construction Act), a
4 reference to a statute applies to all reenactments,
5 revisions, or amendments of that statute unless
6 expressly provided otherwise.

7 (4) Section 14, Chapter 287, Acts of the 61st
8 Legislature, Regular Session, 1969, refers to a "writ
9 of error." The revised law substitutes "petition for
10 review" for "writ of error" because, effective
11 September 1, 1997, the Texas Supreme Court replaced
12 the writ of error procedure with the petition for
13 review procedure. See Rule 53.1, Texas Rules of
14 Appellate Procedure.

15 Revised Law

16 Sec. 1064.109. 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 61st Leg., R.S., Ch. 287,
22 Sec. 18 (part).)

23 Source Law

24 Sec. 18. The board of directors of the hospital
25 district is authorized on behalf of such district to
26 accept donations, gifts, and endowments, . . . to be
27 held in trust and administered by the board of
28 directors for such purposes and under such directions,
29 limitations, and provisions as may be prescribed in
30 writing by the donor not inconsistent with proper
31 management and object of the hospital district.

32 Revisor's Note

33 (1) Section 18, Chapter 287, Acts of the 61st
34 Legislature, Regular Session, 1969, refers to
35 "donations" and "gifts." The revised law omits the
36 reference to "donations" because "donations" is
37 included in the meaning of "gifts."

38 (2) Section 18, Chapter 287, Acts of the 61st

1 Legislature, Regular Session, 1969, refers to previous
2 gifts or endowments made to Moore County. The revised
3 law omits the provision as executed. The omitted law
4 reads:

5 Sec. 18. . . . in addition to those
6 heretofore made to Moore County for
7 hospital purposes,

8 Revised Law

9 Sec. 1064.110. CONSTRUCTION AND PURCHASE CONTRACTS. (a) A
10 construction or purchase contract that involves the expenditure of
11 more than \$15,000 may be made only after advertising in the manner
12 provided by Subchapter B, Chapter 271, Local Government Code.

13 (b) Section 271.059, Local Government Code, relating to
14 performance and payment bonds, applies to construction contracts
15 let by the district. (Acts 61st Leg., R.S., Ch. 287, Sec. 10
16 (part).)

17 Source Law

18 Sec. 10. . . . All contracts for construction
19 or purchases involving the expenditure of more than
20 \$15,000 may be made only after advertising in the
21 manner provided by Subchapter B, Chapter 271, Local
22 Government Code. Section 271.059, Local Government
23 Code, relating to performance and payment bonds,
24 applies to construction contracts let by the district.
25

26 Revised Law

27 Sec. 1064.111. OPERATING AND MANAGEMENT CONTRACTS. The
28 board may enter into an operating or management contract relating
29 to a district facility. (Acts 61st Leg., R.S., Ch. 287, Sec. 9
30 (part).)

31 Source Law

32 Sec. 9. . . . [The district, through its board
33 of directors,] is further authorized to enter into an
34 operating or management contract with regard to its
35 facilities or a part thereof, or

36 Revised Law

37 Sec. 1064.112. CONTRACTS FOR CERTAIN SERVICES. The board
38 may contract with any state, the United States, an agency or
39 political subdivision of those entities, or a charitable or other
40 private entity inside or outside the district for the district to:

1 (1) furnish a mobile emergency medical service; or
2 (2) provide for the investigatory or welfare needs of
3 district inhabitants or of persons for whom the public or private
4 entity has an obligation to provide care. (Acts 61st Leg., R.S.,
5 Ch. 287, Sec. 5A(c).)

6 Source Law

7 (c) The board may contract with any
8 municipality, county, special district, state, the
9 United States, or an agency or political subdivision
10 of those entities, or a charitable or other private
11 entity inside or outside the district for the district
12 to furnish a mobile emergency medical service or to
13 provide for the investigatory or welfare needs of
14 inhabitants of the district or of persons for whom the
15 public or private entity has an obligation to provide
16 care.

17 Revisor's Note

18 Section 5A(c), Chapter 287, Acts of the 61st
19 Legislature, Regular Session, 1969, refers to "any
20 municipality, county, special district, state, the
21 United States, or an agency or political subdivision
22 of those entities." The revised law omits references
23 to "municipality," "county," and "special district" in
24 this context because each of those entities is
25 included in the meaning of "political subdivision."

26 Revised Law

27 Sec. 1064.113. CONTRACTS FOR HEALTH CARE. The board may
28 contract with any public or private entity, including a charitable
29 organization or a political subdivision, to provide health care or
30 related services inside or outside the district. (Acts 61st Leg.,
31 R.S., Ch. 287, Sec. 5 (part).)

32 Source Law

33 Sec. 5. . . . Such board shall be authorized to
34 contract with any other public or private entity,
35 including a county, municipality, hospital district,
36 or any other political subdivision, or a charitable
37 organization, to provide health care or related
38 services inside or outside of the district.

39 Revisor's Note

40 Section 5, Chapter 287, Acts of the 61st
41 Legislature, Regular Session, 1969, refers to "a

1 county, municipality, hospital district, or any other
2 political subdivision." The revised law omits
3 "county," "municipality," and "hospital district" in
4 this context because each of those entities is
5 included in the meaning of "political subdivision."

6 Revised Law

7 Sec. 1064.114. 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 patient's care and treatment in the hospital, the amount of the
17 costs that 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.

28 (e) If there is a dispute as to the ability to pay, or doubt
29 in the mind of the district administrator, the board shall hold a
30 hearing and, after calling witnesses, shall:

31 (1) determine the patient's ability to pay; and

32 (2) issue any appropriate orders.

33 (f) The final order may be appealed to the district court.
34 The substantial evidence rule applies to the appeal. (Acts 61st

1 Leg., R.S., Ch. 287, Sec. 17(a).)

2 Source Law

3 Sec. 17. (a) Whenever a patient residing within
4 the district has been admitted to the facilities
5 thereof, the administrator or manager may cause
6 inquiry to be made as to the patient's circumstances
7 and those of the relatives of such patient legally
8 liable for the patient's support. If the administrator
9 finds that such patient or the patient's relatives are
10 able to pay for the patient's care and treatment in
11 whole or in part, an order shall be made directing such
12 patient or said relatives to pay to the hospital
13 district for the care and support of such patient a
14 specified sum per week in proportion to their
15 financial ability. The administrator or manager shall
16 have power and authority to collect such sums from the
17 estate of the patient or the patient's relatives
18 legally liable for the patient's support in the manner
19 provided by law for collection of expenses in the last
20 illness of a deceased person. If the administrator or
21 manager finds that such patient or the patient's
22 relatives are not able to pay either in whole or in
23 part for the patient's care and treatment in such
24 hospital, same shall become a charge upon the hospital
25 district as to the amount of the inability to pay.
26 Should there be any dispute as to the ability to pay or
27 doubt in the mind of the administrator or manager, the
28 board of directors shall hear and determine same after
29 calling witnesses, and shall make such order or orders
30 as may be proper. Appeals from the final order of the
31 board shall lie to the district court. The substantial
32 evidence rule shall apply.

33 Revisor's Note

34 Section 17(b), Chapter 287, Acts of the 61st
35 Legislature, Regular Session, 1969, requires the
36 district to adopt an application procedure for
37 assistance eligibility. The revised law omits the
38 provision because it duplicates Sections 61.053(a) and
39 (b), Health and Safety Code, which apply to the
40 district and detail the application procedure. The
41 omitted law reads:

42 (b) Not later than the beginning of
43 each operating year, the district shall
44 adopt an application procedure to determine
45 eligibility for assistance, as provided by
46 Section 61.053, Health and Safety Code.

47 Revised Law

48 Sec. 1064.115. REIMBURSEMENT FOR SERVICES. (a) The board
49 shall require a county, municipality, or public hospital located
50 outside the district to reimburse the district for the district's
51 care and treatment of a sick or injured person of that county,

1 municipality, or public hospital as provided by Chapter 61, Health
2 and Safety Code.

3 (b) The board shall require the sheriff of Moore County to
4 reimburse the district for the district's care and treatment of a
5 person confined in a Moore County jail facility who is not indigent
6 and does not reside in the district.

7 (c) The board shall require the police department of a
8 municipality located in Moore County to reimburse the district for
9 the district's care and treatment of a person confined in a jail
10 facility of that municipality who is not indigent and does not
11 reside in the district.

12 (d) The board may contract with this or any other state, the
13 United States, or an agency or political subdivision of those
14 entities to reimburse the district for the care and treatment of a
15 sick or injured person. (Acts 61st Leg., R.S., Ch. 287, Secs.
16 5A(a), (b).)

17 Source Law

18 Sec. 5A. (a) The board shall require
19 reimbursement from:

20 (1) a county, municipality, or public
21 hospital located outside the district's boundaries,
22 for the district's care and treatment of a sick,
23 diseased, or injured person of that county,
24 municipality, or public hospital as provided by
25 Chapter 61, Health and Safety Code;

26 (2) the office of the sheriff of Moore
27 County for the district's care and treatment of a
28 person confined in a Moore County jail facility who is
29 not indigent and does not reside in the district; or

30 (3) the police department of a
31 municipality located in Moore County for the
32 district's care and treatment of a person confined in a
33 jail facility in that municipality who is not indigent
34 and does not reside in the district.

35 (b) The board may contract with this or any
36 other state, the United States, or an agency or
37 political subdivision of those entities, to reimburse
38 the district for the care and treatment of a sick,
39 diseased, or injured person.

40 Revisor's Note

41 Sections 5A(a) and (b), Chapter 287, Acts of the
42 61st Legislature, Regular Session, 1969, refer to the
43 treatment of a "sick, diseased, or injured" person.
44 The revised law omits the references to "diseased"
45 because "diseased" is included in the meaning of

1 "sick."

2 Revised Law

3 Sec. 1064.116. SALE OR LEASE OF HOSPITAL. (a) In this
4 section, "long-term lease" means a lease for a term that exceeds 10
5 years.

6 (b) The board may not sell a hospital owned and operated by
7 the district, including real property, or lease the hospital under
8 a long-term lease that relinquishes control of the hospital to the
9 lessee unless:

10 (1) the agreement for the sale or lease of the hospital
11 provides for indigent care in the district;

12 (2) in the event of a sale of the hospital, the board
13 has published notice of the proposed sale twice in a newspaper with
14 general circulation in Moore County, with the first publication
15 occurring not later than the 61st day before the date of the
16 proposed sale, and the second publication occurring not earlier
17 than the 30th day or later than the eighth day before the date of the
18 proposed sale; and

19 (3) the majority of the votes cast by district voters
20 at an election held for that purpose approve the sale or lease, as
21 appropriate.

22 (c) Notice required by Subsection (b)(2) must include the:

23 (1) date of the proposed sale;

24 (2) name and address of the proposed buyer; and

25 (3) proposed purchase price. (Acts 61st Leg., R.S.,
26 Ch. 287, Sec. 25.)

27 Source Law

28 Sec. 25. (a) In this section, "long-term lease"
29 means a lease for a term that exceeds 10 years.

30 (b) The board of directors may not sell a
31 hospital owned and operated by the hospital district,
32 including real property, or lease the hospital under a
33 long-term lease that relinquishes control of the
34 hospital to the lessee unless:

35 (1) the agreement for the sale or lease of
36 the hospital provides for indigent care in the
37 district;

38 (2) in the event of a sale of the hospital,
39 the board has published notice of the proposed sale
40 twice in a newspaper with general circulation in Moore
41 County, with the first publication occurring not later

1 than the 61st day before the date of the proposed sale,
2 and the second publication occurring not earlier than
3 the 30th day or later than the eighth day before the
4 date of the proposed sale; and

5 (3) the majority of the votes cast by
6 qualified voters of the district at an election called
7 and held for that purpose under the Election Code
8 approve the sale or lease, as appropriate.

9 (c) Notice required by Subsection (b)(2) of this
10 section must include the:

11 (1) date of the proposed sale;
12 (2) name and address of the proposed
13 buyer; and
14 (3) proposed purchase price.

15 Revisor's Note

16 (1) Section 25(b)(3), Chapter 287, Acts of the
17 61st Legislature, Regular Session, 1969, refers to a
18 majority vote of the "qualified" voters of the
19 district. The revised law omits "qualified" as
20 unnecessary in this context because Chapter 11,
21 Election Code, governs eligibility to vote in an
22 election in this state and allows only "qualified"
23 voters who are residents of the territory covered by
24 the election to vote in an election.

25 (2) Section 25(b)(3), Chapter 287, Acts of the
26 61st Legislature, Regular Session, 1969, refers to an
27 election "called and held . . . under the Election
28 Code." Throughout this chapter, the revised law omits
29 the references to "calling" an election because, in
30 this context, "calling" an election is included in the
31 meaning of "holding" an election. Under Chapter 3,
32 Election Code, all elections must be ordered (called)
33 before they may be held. The revised law also omits
34 "under the Election Code" because it duplicates
35 Section 1.002, Election Code, which provides that the
36 Election Code applies to all elections held in this
37 state.

38 Revised Law

39 Sec. 1064.117. AUTHORITY TO SUE AND BE SUED. (a) The
40 district, through the board, may sue and be sued.

41 (b) The district is entitled to all causes of action and

1 defenses to which similar authorities are entitled. (Acts 61st
2 Leg., R.S., Ch. 287, Sec. 5 (part).)

3 Source Law

4 Sec. 5. . . . The district, through its board
5 of directors, shall have the power and authority to sue
6 and be sued, and shall be entitled to all causes of
7 action and defenses enjoyed by similar authorities,
8

9 [Sections 1064.118-1064.150 reserved for expansion]

10 SUBCHAPTER D. CHANGE IN BOUNDARIES

11 Revised Law

12 Sec. 1064.151. TERRITORY THAT MAY BE ANNEXED. (a) The
13 district may annex territory that is not located in:

- 14 (1) Moore County;
- 15 (2) the boundaries of another hospital district; or
- 16 (3) the proposed boundaries of another hospital
17 district authorized by the legislature under Section 9, Article IX,
18 Texas Constitution.

19 (b) Territory may be annexed in one or more tracts. Each
20 tract must be contiguous to:

- 21 (1) the district; or
- 22 (2) territory proposed to be annexed to the district.

23 (Acts 61st Leg., R.S., Ch. 287, Sec. 1A (part).)

24 Source Law

25 Sec. 1A. Under the provisions of this Section,
26 territory which is not then within (i) Moore County, or
27 (ii) within the boundaries of any other hospital
28 district, or (iii) within the proposed boundaries of
29 any hospital district which the Legislature has
30 authorized to be included within the area of a hospital
31 district under Article IX, Section 9 of the
32 Constitution, may be annexed or added to the area
33 included in the boundaries of the proposed district
34 set forth in Section 1. Territory which is proposed to
35 be annexed or added may be in one or more tracts, each
36 of which shall be either contiguous (adjacent) to the
37 area of the district as described in Section 1, or
38 contiguous (adjacent) to territory which has been or
39 is proposed to be annexed to the district.

40 . . .

41 Revised Law

42 Sec. 1064.152. PETITION TO ANNEX TERRITORY. (a) A petition
43 requesting that territory be annexed to the district may be
44 presented to the board. The petition must:

1 (1) describe the tract or tracts of land to be annexed;
2 and

3 (2) be signed by 100 or a majority of the registered
4 voters who:

5 (A) reside in the territory to be annexed; and

6 (B) own property that will be subject to district
7 taxation.

8 (b) This chapter does not prohibit simultaneous action on
9 several petitions for annexation. Each ballot proposition must be
10 submitted for each different territory proposed to be annexed, and
11 an election held in each territory represented by a petition.

12 (c) If the board receives two or more petitions for
13 annexation that include all or part of the same territory to be
14 annexed to the district, the petition filed first with the board
15 shall be considered and another petition that includes any of the
16 same territory has no effect.

17 (d) The board may consider all petitions for annexation
18 presented to it and may approve or reject each petition. The board
19 may not partly approve or partly reject any petition. (Acts 61st
20 Leg., R.S., Ch. 287, Sec. 1A (part).)

21 Source Law

22 Sec. 1A. . . .

23 A petition asking that territory be annexed to
24 the district may be presented to the board of directors
25 of the district, and such petition must describe the
26 tract or tracts proposed to be annexed, and be executed
27 by 100 or a majority of the resident qualified electors
28 of the area proposed to be annexed and who own property
29 duly rendered for taxation on the county tax rolls of
30 the particular county which will be subject to
31 hospital district taxation. . . .

32 Nothing herein shall be construed as prohibiting
33 simultaneous action on several petitions, but in such
34 event, propositions shall be submitted separately in
35 the different areas proposed to be annexed, it being
36 the intent hereof to allow an election to be held
37 within each area or territory represented by a
38 petition for annexation. In the event two or more
39 petitions are presented for annexation which include
40 all or part of the same territory to be annexed to the
41 Hospital District, the petition first filed with the
42 board of directors shall be considered and no other
43 petition which includes any of the same territory
44 shall be of any effect for any purpose. The board of
45 directors of the district may consider all petitions
46 presented to it, and approve or reject the same, it

1 being specifically provided that such a petition, if
2 presented may not be approved in part or rejected in
3 part.
4 . . .

5 Revisor's Note

6 (1) Section 1A, Chapter 287, Acts of the 61st
7 Legislature, Regular Session, 1969, refers to a
8 petition signed by "qualified electors" of the
9 territory to be annexed. The revised law substitutes
10 "voters" for "electors" because "voter" is the term
11 used in the Election Code. In addition, the revised
12 law substitutes "registered" for "qualified" because
13 in the context of eligibility to sign a petition,
14 Section 277.0021, Election Code, provides that
15 "qualified voter" means a "registered voter."

16 (2) Section 1A, Chapter 287, Acts of the 61st
17 Legislature, Regular Session, 1969, refers to property
18 "duly rendered for taxation on the county tax rolls of
19 the particular county." The revised law omits the
20 quoted language because the Tax Code does not require
21 that real property be rendered for taxation.

22 (3) Section 1A, Chapter 287, Acts of the 61st
23 Legislature, Regular Session, 1969, states that the
24 section applies to any petition presented to the board
25 after the district has been established. The revised
26 law omits that provision as executed. The omitted law
27 reads:

28 Sec. 1A. . . . The provisions of
29 this paragraph shall be applicable to any
30 petition or petitions presented to the
31 board of directors of the district after the
32 district has been established as the result
33 of an election held under the provisions of
34 Section 3 hereof.
35 . . .

36 Revised Law

37 Sec. 1064.153. ELECTION ORDER. (a) If, on receipt of a
38 petition under Section 1064.152, the board finds that annexing the
39 territory is in the district's best interest, the board shall
40 within 90 days of the board's finding:

- 1 (1) approve the petition; and
2 (2) order an election on the question of annexing the
3 territory to the district.
4 (b) The election order shall provide for a separate
5 election:
6 (1) in the territory proposed to be annexed; and
7 (2) in the district.
8 (c) The election order shall provide for clerks as in county
9 elections and must specify:
10 (1) the date of the election;
11 (2) the location of the polling places;
12 (3) the form of ballot; and
13 (4) the presiding judge and alternate judge for each
14 polling place.
15 (d) The election order may provide that:
16 (1) the entire district is one election precinct; or
17 (2) the county election precincts be combined for the
18 election. (Acts 61st Leg., R.S., Ch. 287, Secs. 1A (part), 3(a)
19 (part).)

20 Source Law

21 Sec. 1A. . . . The board of directors, upon the
22 receipt of the petition, if it finds that it would be
23 in the best interest of the district, shall (within 90
24 days after such finding) approve the same and order an
25 election to determine if such property shall be
26 annexed or added to the district. The election order
27 shall provide for a separate election within the
28 territory proposed to be annexed and in the area of the
29 existing district, and

30 [The provisions of Section 3,] . . . as well as
31 the provisions thereof with respect to the time,
32 manner and holding of elections and . . . shall apply
33 to all elections held under the provisions of this
34 Section.
35 . . .

36 Sec. 3. (a) . . . The order calling the
37 election shall specify the date, place or places of
38 holding the election, the form of ballot, the
39 presiding judge and alternate judge for each voting
40 place, and provide for clerks as in county elections.
41 The election order may provide that the entire
42 district shall constitute one election precinct or the
43 county election precincts may be combined for
44 elections. . . .

1 Revisor's Note

2 (1) Section 1A, Chapter 287, Acts of the 61st
3 Legislature, Regular Session, 1969, states that
4 Section 3 of that act, regarding the qualifications of
5 voters in the election provided for in that section,
6 apply to all elections held under Section 1A. Section
7 3, Chapter 287, Acts of the 61st Legislature, Regular
8 Session, 1969, refers to "qualified property taxpaying
9 electors." The revised law omits the reference to
10 "qualified" electors as unnecessary in this context
11 because Chapter 11, Election Code, governs eligibility
12 to vote in an election in this state and allows only
13 "qualified" voters who are residents of the territory
14 covered by the election to vote in an election. The
15 revised law also omits the reference to "property
16 taxpaying" electors because in Hill v. Stone, 421 U.S.
17 289, 95 S. Ct. 1637 (1975), the United States Supreme
18 Court determined that property ownership as a
19 qualification for voting is an unconstitutional denial
20 of equal protection. The omitted law reads:

21 Sec. 1A. . . .
22 [The provisions of Section 3,] with
23 respect to the qualifications of voters in
24 the election therein provided, . . . shall
25 apply to all elections held under the
26 provisions of this Section.
27 . . .

28 (2) Section 3(a), Chapter 287, Acts of the 61st
29 Legislature, Regular Session, 1969, states that the
30 election must be held not less than 35 nor more than 60
31 days after the date the election is ordered. The
32 revised law omits the provision as superseded by
33 Section 3.005, Election Code, applicable to the
34 district under Section 1.002, Election Code. Section
35 3.005, as amended by Chapter 925, Acts of the 78th
36 Legislature, Regular Session, 2003, requires an
37 election order issued by the authority of a political

1 subdivision to be issued not later than the 62nd day
2 before election day and provides that Section 3.005
3 supersedes a law outside the Election Code to the
4 extent of any conflict. The omitted law reads:

5 (a) . . . Such election shall be
6 held not less than 35 nor more than 60 days
7 from the date the election is
8 ordered. . . .

9 Revised Law

10 Sec. 1064.154. BALLOT. The ballot for the election shall be
11 printed to permit voting for or against the proposition: "The
12 establishment of the Moore County Hospital District with extended
13 boundaries and establishment of a hospital district tax at a rate
14 not to exceed 75 cents on the \$100 valuation on all taxable property
15 in the extended boundaries of the hospital district that is subject
16 to hospital district taxation for hospital purposes." (Acts 61st
17 Leg., R.S., Ch. 287, Sec. 1A (part).)

18 Source Law

19 Sec. 1A. . . . the proposition submitted in
20 both areas shall be "For" and "Against" the following
21 ballot proposition: "The establishment of the Moore
22 County Hospital District with extended boundaries and
23 establishing a hospital district tax of not to exceed
24 75¢ on the \$100 valuation upon all taxable property
25 situated within the extended boundaries of said
26 hospital district, subject to hospital district
27 taxation, for hospital purposes." . . .

28 Revised Law

29 Sec. 1064.155. NOTICE OF ELECTION. (a) Notice of the
30 election shall be given by publishing once a week for two
31 consecutive weeks a substantial copy of the election order in a
32 newspaper or newspapers that individually or collectively have
33 general circulation in the county or district.

34 (b) The first publication must appear at least 30 days
35 before the date of the election. (Acts 61st Leg., R.S., Ch. 287,
36 Secs. 1A (part), 3(a) (part).)

37 Source Law

38 Sec. 1A. . . .
39 The provisions of Section 3, . . . with respect
40 to [the time, manner and holding of elections and]
41 giving notice thereof, shall apply to all elections
42 held under the provisions of this Section.

1 . . .

2 Sec. 3. (a) . . . Notice of election shall be
3 given by publishing a substantial copy of the election
4 order in a newspaper or newspapers which individually
5 or collectively provide general circulation in the
6 county or district once a week for two consecutive
7 weeks, the first publication to appear at least 30 days
8 prior to the date established for the election. . . .

9 Revised Law

10 Sec. 1064.156. ELECTION RESULTS. (a) Territory may not be
11 annexed to the district unless:

12 (1) an election is held in accordance with this
13 subchapter; and

14 (2) the annexation is approved by a majority of the
15 voters voting in the election in:

16 (A) the district; and

17 (B) the territory proposed to be annexed.

18 (b) If the territory is annexed to the district, a certified
19 copy of the order canvassing the returns of the election shall be
20 filed and recorded in the deed records.

21 (c) An election may not be held under this subchapter within
22 12 months of an election previously held under this subchapter.
23 (Acts 61st Leg., R.S., Ch. 287, Secs. 1A (part), 3(a) (part).)

24 Source Law

25 Sec. 1A. . . . No territory shall be annexed or
26 added to the district unless (i) an election is held
27 under the provisions of this Section, and (ii) a
28 majority of the electorate participating in the
29 election within the area of the district as then
30 established, or the area of the proposed district as
31 set forth in Section 1, as well as a majority of the
32 electorate participating in the election within the
33 territory proposed to be annexed, shall sustain the
34 propositions submitted.

35 The provisions of Section 3, with respect to
36 . . . the time . . . of elections . . . shall apply to
37 all elections held under the provisions of this
38 Section.

39 In the event territory is annexed to the district
40 under the provisions hereof, a certified copy of the
41 order canvassing the returns of the election shall be
42 filed and recorded in the said Deed Records.

43 . . .

44 Sec. 3. (a) . . . The failure of such election
45 shall not operate to prohibit the calling and holding
46 of subsequent elections for the same purpose;
47 provided, however, that no district election for
48 confirmation can be held within 12 months of any
49 preceding district election for confirmation, and,
50

1 Revised Law

2 Sec. 1064.157. EFFECT OF ANNEXATION. (a) Territory
3 annexed to the district is part of the district for all purposes.

4 (b) The annexation of territory to the district does not
5 change the manner in which the board or district officers are
6 selected. (Acts 61st Leg., R.S., Ch. 287, Sec. 1A (part).)

7 Source Law

8 Sec. 1A. . . . In the event territory is
9 annexed to the district, it shall thereafter be a part
10 thereof for all purposes, but the annexation thereof
11 shall not change or vary the manner in which the board
12 of directors or officers of the district is or are
13 selected.

14 Revisor's Note
15 (End of Subchapter)

16 Section 1A, Chapter 287, Acts of the 61st
17 Legislature, Regular Session, 1969, provides an
18 alternative procedure for an election on annexations
19 to the district if the district has not been
20 established. Because the district has been
21 established, the revised law omits the provision. The
22 omitted law reads:

23 Sec. 1A. . . .

24 In the event the Moore County Hospital
25 District has not been established as the
26 result of an election pursuant to the
27 provisions of Section 3, a petition
28 conforming to the foregoing requirements
29 may be submitted to the County Judge of
30 Moore County, and the County Judge, if he
31 orders an election on the proposition on
32 whether the Moore County Hospital District
33 shall be created within twelve months after
34 the receipt of the petition, shall also
35 order a separate election held within the
36 area proposed to be annexed to the district,
37 and in the area described in Section 1, and
38 the proposition to be submitted in both
39 areas shall be "For" and "Against" the
40 following ballot proposition: "The
41 annexation to the Moore County Hospital
42 District (in the event the same is
43 established) with a hospital district tax
44 of not to exceed 75¢ on the \$100 valuation
45 upon all taxable property situated within
46 said area proposed to be annexed subject to
47 hospital district taxation." The
48 proposition so submitted in the area
49 described in Section 1 shall be in addition
50 to the proposition as set forth in Section 3
51 of this Act. If the proposition on the
52 creation of the District (as prescribed in

1 Section 3) is sustained by a majority vote,
2 the district shall be established
3 irrespective of the result of the
4 annexation election held under the
5 provisions of this Section. . . .

6 [Sections 1064.158-1064.200 reserved for expansion]

7 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

8 Revised Law

9 Sec. 1064.201. BUDGET. (a) The district administrator
10 shall prepare an annual budget for approval by the board.

11 (b) The proposed budget must contain a complete financial
12 statement of:

- 13 (1) the outstanding obligations of the district;
- 14 (2) the cash on hand in each district fund;
- 15 (3) the money received by the district from all
16 sources during the previous year;
- 17 (4) the money available to the district from all
18 sources during the ensuing year;
- 19 (5) the balances expected at the end of the year in
20 which the budget is being prepared;
- 21 (6) the estimated revenue and balances available to
22 cover the proposed budget;
- 23 (7) the estimated tax rate required; and
- 24 (8) the proposed expenditures and disbursements and
25 the estimated receipts and collections for the following fiscal
26 year. (Acts 61st Leg., R.S., Ch. 287, Sec. 6 (part).)

27 Source Law

28 Sec. 6. . . . The administrator or manager
29 shall prepare an annual budget for approval by the
30 board of directors. The budget shall also contain a
31 complete financial statement of the district showing
32 all outstanding obligations of the district, the cash
33 on hand to the credit of each and every fund of the
34 district, the funds received from all sources during
35 the previous year, the funds available from all
36 sources during the ensuing year, with balances
37 expected at year end of the year in which the budget is
38 being prepared, and estimated revenues and balances
39 available to cover the proposed budget and the
40 estimated tax rate which will be required, and the
41 proposed expenditures and disbursements and the
42 estimated receipts and collections for the following
43 fiscal year. . . .

1 Revised Law

2 Sec. 1064.202. 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.

10 (d) At the conclusion of the hearing, the board shall adopt
11 a budget by acting on the budget proposed by the district
12 administrator. The board may make any changes in the proposed
13 budget that, in the board's sole judgment and discretion:

14 (1) applicable federal and state law warrants and
15 allows; and

16 (2) the interest of district residents requires in
17 furtherance of hospital purposes. (Acts 61st Leg., R.S., Ch. 287,
18 Sec. 6 (part).)

19 Source Law

20 Sec. 6. . . . A public hearing on the annual
21 budget shall be held by the board of directors after
22 notice of such hearing has been published one time at
23 least 10 days before the date set therefor. Notice of
24 the budget hearing shall be published in a newspaper or
25 newspapers which individually or collectively provide
26 general circulation in the hospital district. Any
27 resident of the district shall have the right to be
28 present and participate in said hearing. At the
29 conclusion of the hearing, the budget, as proposed by
30 the administrator, shall be acted upon by the board of
31 directors. The board of directors shall have
32 authority to make such changes in the budget as in
33 their sole judgment and discretion, applicable federal
34 and state law warrants and allows, and the interest of
35 the residents of the district requires in furtherance
36 of hospital purposes. . . . the annual budget, and
37 . . . shall be approved by the board of
38 directors. . . .

39 Revised Law

40 Sec. 1064.203. AMENDMENTS TO BUDGET. The budget may be
41 amended as required by circumstances. The board must approve all
42 amendments. (Acts 61st Leg., R.S., Ch. 287, Sec. 6 (part).)

1 Source Law

2 Sec. 6. . . . The annual budget may be amended
3 from time to time as the circumstances may require, but
4 [the annual budget, and] all amendments thereto, shall
5 be approved by the board of directors. . . .

6 Revisor's Note

7 Section 6, Chapter 287, Acts of the 61st
8 Legislature, Regular Session, 1969, states that the
9 board may amend the budget "from time to time." The
10 revised law omits the quoted language because the
11 authority to take an action implies the authority to do
12 so at any time.

13 Revised Law

14 Sec. 1064.204. 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. 287, Sec. 6 (part).)

17 Source Law

18 Sec. 6. . . . No expenditure may be made for any
19 expense not included in the annual budget or an
20 amendment thereto. . . .

21 Revised Law

22 Sec. 1064.205. FISCAL YEAR. The district operates
23 according to a fiscal year that begins on July 1 and ends on June 30.
24 (Acts 61st Leg., R.S., Ch. 287, Sec. 6 (part).)

25 Source Law

26 Sec. 6. The district shall be operated on the
27 basis of a fiscal year commencing on July 1 of each
28 year and ending on June 30 of the following year, and
29

30 Revised Law

31 Sec. 1064.206. AUDIT. (a) The district shall have an
32 independent audit made of the district's financial condition for
33 the fiscal year.

34 (b) As soon as the audit is completed, the audit shall be
35 filed at the district's office. (Acts 61st Leg., R.S., Ch. 287,
36 Sec. 6 (part).)

37 Source Law

38 Sec. 6. [The district] . . . it shall cause an
39 independent audit to be made of the financial

1 condition of said district, . . . such audit to be made
2 covering such fiscal year, and the same shall be filed
3 at the office of the district as soon as it is
4 completed. . . .

5 Revised Law

6 Sec. 1064.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.

7 The audit and other district records shall be open to inspection at
8 the district's principal office. (Acts 61st Leg., R.S., Ch. 287,
9 Sec. 6 (part).)

10 Source Law

11 Sec. 6. . . . [it shall cause an independent
12 audit to be made of the financial condition of the
13 district,] which, together with other records of the
14 district, shall be open to inspection at the principal
15 office of the district,

16 Revised Law

17 Sec. 1064.208. FINANCIAL REPORT. As soon as practicable
18 after the close of each fiscal year, the district administrator
19 shall prepare for the board:

20 (1) a complete sworn statement of all district money;

21 and

22 (2) a complete account of the disbursements of that
23 money. (Acts 61st Leg., R.S., Ch. 287, Sec. 6 (part).)

24 Source Law

25 Sec. 6. . . . As soon as practicable after the
26 close of each fiscal year, the administrator or
27 manager shall prepare for the board a full sworn
28 statement of all moneys belonging to the district and a
29 full account of the disbursement of same.

30 Revised Law

31 Sec. 1064.209. DEPOSITORY. (a) The board shall select one
32 or more depositories for district money.

33 (b) District money, other than money invested as provided by
34 Section 1064.210(b), and money transmitted to a bank for payment of
35 bonds or obligations issued or assumed by the district, shall be
36 deposited as received with the depository and shall remain on
37 deposit.

38 (c) This chapter, including Subsection (b), does not limit
39 the power of the board to:

40 (1) place a part of district money on time deposit or

1 other forms of deposit; or

2 (2) purchase certificates of deposit. (Acts 61st
3 Leg., R.S., Ch. 287, Sec. 11.)

4 Source Law

5 Sec. 11. The board of directors of the district
6 shall name one or more depositories for the funds of
7 the district. All funds of the district, except those
8 invested as provided in Section 5 of this Act, and
9 those transmitted to a bank or banks of payment for
10 bonds or obligations issued or assumed by the
11 district, shall be deposited as received with the
12 depository and shall remain on deposit, provided that
13 nothing herein shall limit the power of the board to
14 place a portion of such funds on time deposit or other
15 forms of deposit or purchase certificates of deposit.

16 Revised Law

17 Sec. 1064.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)
18 Except as otherwise provided by Section 1064.107(c) and by
19 Subchapter F, the district may not incur an obligation payable from
20 district revenue other than the revenue on hand or to be on hand in
21 the current and following district fiscal years.

22 (b) The board may invest operating, depreciation, or
23 building fund reserves only in any funds or securities authorized
24 by law, including Chapter 2256, Government Code. (Acts 61st Leg.,
25 R.S., Ch. 287, Secs. 5 (part), 10 (part).)

26 Source Law

27 Sec. 5. . . . in no event shall any operating,
28 depreciation, or building fund reserves be invested in
29 any funds or securities authorized by law, including
30 Chapter 2256, Government Code. . . .

31 Sec. 10. . . . Except as permitted in the
32 preceding sentence and as permitted by Sections 7 and 8
33 of this Act, the district may incur no obligation
34 payable from any revenues of the district, taxes or
35 otherwise, except those on hand or to be on hand within
36 the then current and following fiscal year of the
37 district.

38 Revisor's Note

39 (1) Section 5, Chapter 287, Acts of the 61st
40 Legislature, Regular Session, 1969, states that "in no
41 event shall any . . . reserves be invested in any funds
42 or securities authorized by law." The inclusion of "in
43 no event" without any qualification appears to be a
44 typographical error that occurred when the legislature

1 amended the section in Chapter 1091, Acts of the 76th
2 Legislature, Regular Session, 1999. The legislature
3 did not intend to prohibit investments authorized by
4 law. Instead, it is clear that the legislature
5 intended to authorize investments only in funds or
6 securities authorized by law. The revised law is
7 therefore drafted to conform to this legislative
8 intent. In addition, this result is consistent with,
9 and conforms to, similar "boilerplate" language in
10 most hospital districts.

11 (2) Section 10, Chapter 287, Acts of the 61st
12 Legislature, Regular Session, 1969, states that
13 "[e]xcept as permitted in the preceding sentence and
14 as permitted by Sections 7 and 8 of this Act," the
15 district may not incur certain obligations. The
16 "preceding sentence" in Section 10 is codified in
17 Section 1064.107(c). Sections 7 and 8 are codified in
18 Subchapter F. The revised law is drafted accordingly.

19 [Sections 1064.211-1064.250 reserved for expansion]

20 SUBCHAPTER F. BONDS

21 Revised Law

22 Sec. 1064.251. GENERAL OBLIGATION BONDS, CERTIFICATES OF
23 OBLIGATION, AND OTHER FINANCING. The board may issue and sell
24 general obligation bonds, certificates of obligation, or any other
25 type of financing authorized by the laws of this state, including
26 that type of financing authorized by Chapter 271, Local Government
27 Code, in the name and on the faith and credit of the district for any
28 purpose relating to:

29 (1) the purchase, construction, acquisition, repair,
30 or renovation of buildings or improvements; and

31 (2) equipping buildings or improvements for hospital
32 purposes. (Acts 61st Leg., R.S., Ch. 287, Sec. 7(a) (part).)

33 Source Law

34 Sec. 7. (a) The board of directors shall have
35 the power and authority to issue and sell bonds,

1 certificates of obligation, or any other type of
2 financing authorized by the laws of this state,
3 including that type of financing authorized by Chapter
4 271, Local Government Code, in the name and upon the
5 faith and credit of such hospital district for the
6 purchase, construction, acquisition, repair, or
7 renovation of buildings and improvements and equipping
8 the same for hospital purposes, and for any or all of
9 such purposes. . . .

10 Revisor's Note

11 Section 7(a), Chapter 287, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 board has the power and authority to issue and sell
14 bonds in the name and on the faith and credit of the
15 district. Because the type of bonds described by
16 Section 7 are known as "general obligation bonds," the
17 revised law is drafted accordingly.

18 Revised Law

19 Sec. 1064.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
20 the time general obligation bonds are issued under Section
21 1064.251, 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 61st Leg., R.S., Ch. 287, Sec. 7(a)
28 (part).)

29 Source Law

30 (a) . . . At the time of the issuance of any
31 bonds by the district a tax shall be levied by the
32 board sufficient to create an interest and sinking
33 fund to pay the interest on and principal of said bonds
34 as same mature, providing such tax together with any
35 other taxes levied for said district shall not exceed
36 the rate of tax voted under the provisions of Section 3
37 of this Act. . . .

38 Revisor's Note

39 (1) Section 7(a), Chapter 287, Acts of the 61st
40 Legislature, Regular Session, 1969, requires the
41 district to levy a tax to pay the principal of and
42 interest on bonds. The revised law specifies that the

1 tax is an "ad valorem" tax because it is clear from the
2 source law that the tax is a property tax and "ad
3 valorem" is the term most commonly used to refer to a
4 property tax.

5 (2) Section 7(a), Chapter 287, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that the
7 tax rate may not exceed "the rate of tax voted under
8 the provisions of Section 3 of this Act." Section 3
9 sets out procedures for the district's creation
10 election and requires voter approval of the district's
11 authority to impose taxes. Because the revised law
12 omits Section 3 for the reason stated in the revisor's
13 note at the end of Subchapter A, the revised law
14 substitutes "the tax rate approved by the voters at the
15 election authorizing the imposition of the tax" for
16 the quoted language.

17 Revised Law

18 Sec. 1064.253. 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 voting at an
21 election held for that purpose.

22 (b) The order calling the election shall provide for clerks
23 as in county elections and must specify:

- 24 (1) the date of the election;
25 (2) the location of the polling places;
26 (3) the presiding and alternate election judges for
27 each polling place;
28 (4) the amount of the bonds to be authorized;
29 (5) the maximum interest rate of the bonds; and
30 (6) the maximum maturity of the bonds.

31 (c) Notice of a bond election shall be given as provided by
32 Section 1251.003, Government Code. (Acts 61st Leg., R.S., Ch. 287,
33 Sec. 7(a) (part).)

1 Legislature, Regular Session, 1969, states that the
2 election "shall be conducted in accordance with the
3 general laws of Texas pertaining to general elections,
4 except as modified by the provisions of this Act." The
5 revised law omits the quoted language because Section
6 1.002, Election Code, provides that the Election Code
7 applies to all elections held in this state. An
8 exception to the application of the Election Code
9 would apply by its own terms.

10 Revised Law

11 Sec. 1064.254. REVENUE BONDS. (a) The board may issue
12 revenue bonds to:

13 (1) purchase, construct, acquire, repair, renovate,
14 or equip buildings or improvements for hospital purposes; or

15 (2) acquire sites to be used for 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 hospitals.

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 and in accordance
22 with the procedures and requirements prescribed by Sections
23 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
24 and Safety Code, for issuance of revenue bonds by a county hospital
25 authority. (Acts 61st Leg., R.S., Ch. 287, Sec. 8 (part).)

26 Source Law

27 Sec. 8. In addition to the power to issue bonds
28 payable from taxes levied by the district, as
29 contemplated by the preceding section, the board of
30 directors is further authorized to issue and . . .
31 revenue bonds for purchasing, constructing,
32 acquiring, repairing, equipping, or renovating
33 buildings and improvements for hospital purposes, and
34 for acquiring sites therefor, such bonds to be payable
35 from and secured by a pledge of all or any part of the
36 revenues of the district to be derived from the
37 operation of its hospital or hospitals, and such bonds
38 may be additionally secured by a mortgage or deed of
39 trust lien on any part or all of its properties. Such
40 bonds shall be issued in the manner and in accordance
41 with the procedures and requirements specified for the
42 issuance of revenue bonds by county hospital

1 authorities in Sections 8, 10, 11, 12, and 13, Chapter
2 122, Acts of the 58th Legislature, 1963 (Article
3 4494r, Vernon's Texas Civil Statutes).

4 Revisor's Note

5 Section 8, Chapter 287, Acts of the 61st
6 Legislature, Regular Session, 1969, refers to Sections
7 8, 10, 11, 12, and 13 of Chapter 122, Acts of the 58th
8 Legislature, 1963 (Article 4494r, Vernon's Texas Civil
9 Statutes). Those provisions were codified in 1989 as
10 Sections 264.042, 264.043, 264.046, 264.047, 264.048,
11 and 264.049, Health and Safety Code. The revised law
12 is drafted accordingly.

13 Revised Law

14 Sec. 1064.255. REFUNDING BONDS. (a) The board may, without
15 an election, issue refunding bonds to refund outstanding
16 indebtedness issued or assumed by the district.

17 (b) A refunding bond may be:

18 (1) sold, with the proceeds of the refunding bond
19 applied to the payment of outstanding indebtedness; or

20 (2) exchanged wholly or partly for not less than a
21 similar principal amount of outstanding indebtedness. (Acts 61st
22 Leg., R.S., Ch. 287, Secs. 7(a) (part), (b) (part), 8 (part).)

23 Source Law

24 Sec. 7. (a) . . . [No bonds shall be issued by
25 such hospital district] except refunding bonds [until
26 authorized by a majority of the qualified electors of
27 the district]

28 (b) Refunding bonds of the district may be
29 issued for the purpose of refunding and paying off any
30 outstanding indebtedness it has issued or assumed.
31 Such refunding bonds may be sold and the proceeds
32 thereof applied to the payment of outstanding
33 indebtedness, or may be exchanged in whole or in part
34 for not less than a like principal amount of such
35 outstanding indebtedness

36 Sec. 8. . . . the board of directors is further
37 authorized . . . to refund any previously issued
38 revenue bonds

39 Revisor's Note

40 (1) Section 7(b), Chapter 287, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that
42 refunding bonds must bear interest at the same or a
43 lower rate than the debt refunded unless a savings is

1 shown. The revised law omits this provision because it
2 has been superseded by the enactment of the maximum
3 interest rate provision found in Section 1204.006,
4 Government Code. That section reflects the 1981
5 amendment of Chapter 3, Acts of the 61st Legislature,
6 Regular Session, 1969 (Article 717k-2, Vernon's Texas
7 Civil Statutes, now Chapter 1204, Government Code), by
8 Section 1, Chapter 61, Acts of the 67th Legislature,
9 Regular Session, 1981, and permits a public agency,
10 including a hospital district, to issue public
11 securities at any net effective interest rate of 15
12 percent or less. Section 1204.006 applies to district
13 bonds by application of Section 1204.001, Government
14 Code. The omitted law reads:

15 (b) . . . provided that, if refunding
16 bonds are to be exchanged for a like amount
17 of said outstanding indebtedness, such
18 refunding bonds shall bear interest at the
19 same or lower rate than borne by the debt
20 refunded, unless it is shown mathematically
21 that a saving will result in the total
22 amount of interest to be paid on said
23 refunding bonds, and

24 (2) Section 7(b), Chapter 287, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that
26 refunding bonds sold to pay outstanding indebtedness
27 must be issued and payments made in the manner
28 specified by Chapter 503, Acts of the 54th
29 Legislature, Regular Session, 1955, as amended
30 (Article 717k, Vernon's Texas Civil Statutes).
31 Article 717k was codified in 1999 as part of Chapter
32 1207, Government Code. The revised law omits the
33 provision because Chapter 1207, Government Code,
34 applies to the district by its own terms under Section
35 1207.001, Government Code. The omitted law reads:

36 (b) . . . provided further that if
37 such refunding bonds are to be sold and the
38 proceeds thereof applied to the payment of
39 any such outstanding indebtedness, same
40 shall be issued and payments made in the
41 manner specified by Chapter 503, Acts of the

1 54th Legislature, 1955, as amended (Article
2 717k, Vernon's Texas Civil Statutes).

3 Revised Law

4 Sec. 1064.256. MATURITY OF BONDS. District bonds must
5 mature not later than 40 years after the date of issuance. (Acts
6 61st Leg., R.S., Ch. 287, Sec. 7(c) (part).)

7 Source Law

8 (c) Bonds of the district . . . shall mature
9 within 40 years of their date,

10 Revised Law

11 Sec. 1064.257. EXECUTION OF BONDS. (a) The board president
12 shall execute district bonds in the district's name.

13 (b) The board secretary shall countersign the bonds in the
14 manner provided by Chapter 618, Government Code. (Acts 61st Leg.,
15 R.S., Ch. 287, Sec. 7(c) (part).)

16 Source Law

17 (c) [Bonds of the district] . . . shall be
18 executed in the name of the hospital district and in
19 its behalf by the president of the board and
20 countersigned by the secretary in the manner provided
21 by Chapter 204, Acts of the 57th Legislature, Regular
22 Session, 1961, as amended (Article 717j-1, Vernon's
23 Texas Civil Statutes), and

24 Revisor's Note

25 (1) Section 7(c), Chapter 287, Acts of the 61st
26 Legislature, Regular Session, 1969, refers to Chapter
27 204, Acts of the 57th Legislature, Regular Session,
28 1961, as amended (Article 717j-1, Vernon's Texas Civil
29 Statutes). That statute was codified in 1999 as
30 Chapter 618, Government Code, and the revised law is
31 drafted accordingly.

32 (2) Section 7(c), Chapter 287, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that
34 district bonds must bear interest at a rate not to
35 exceed seven percent a year. The revised law omits
36 that provision for the reason stated in Revisor's Note
37 (1) to Section 1064.255. The omitted law reads:

38 (c) [Bonds of the district] shall
39 bear interest not to exceed seven percent a
40 year,

1 (3) Section 7(c), Chapter 287, Acts of the 61st
2 Legislature, Regular Session, 1969, provides that
3 district bonds are subject to the law governing
4 counties that relates to bond approval by the attorney
5 general and registration of the bonds by the
6 comptroller. Section 7(c) also provides that after
7 approval and registration the bonds are "incontestable
8 for any cause." The revised law omits those provisions
9 as superseded by Chapter 1202, Government Code
10 (enacted as Article 3, Chapter 53, Acts of the 70th
11 Legislature, 2nd Called Session, 1987). Section
12 1202.003(a), Government Code, requires bonds to be
13 submitted to the attorney general. Section
14 1202.003(b), Government Code, provides for approval of
15 the bonds by the attorney general and requires the
16 attorney general to submit the approved bonds to the
17 comptroller for registration. Section 1202.005,
18 Government Code, requires registration of the bonds by
19 the comptroller. Section 1202.006, Government Code,
20 provides that after approval and registration the
21 bonds are incontestable and binding obligations.
22 Chapter 1202, Government Code, applies to district
23 bonds by application of Section 1202.001, Government
24 Code. The omitted law reads:

25 (c) . . . shall be subject to the
26 same requirements in the matter of approval
27 by the Attorney General of Texas and
28 registration by the Comptroller of Public
29 Accounts of the State of Texas as are by law
30 provided for approval and registration of
31 bonds issued by counties. Upon the approval
32 of such bonds by the attorney general and
33 registration by the comptroller, the same
34 shall be incontestable for any cause.

35 Revised Law

36 Sec. 1064.258. BONDS EXEMPT FROM TAXATION. The following
37 are exempt from taxation by this state or a political subdivision of
38 this state:

39 (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 61st
3 Leg., R.S., Ch. 287, Sec. 21 (part).)

4 Source Law

5 Sec. 21. . . . any bonds issued by it and their
6 transfer and the issuance therefrom, including any
7 profits made in the sale thereof, shall at all times be
8 free from taxation by the state or any municipality or
9 political subdivision thereof.

10 Revisor's Note

11 Section 21, Chapter 287, Acts of the 61st
12 Legislature, Regular Session, 1969, refers to "any
13 municipality or political subdivision" of this state.
14 The revised law omits "municipality" for the reason
15 stated in Revisor's Note (2) to Section 1064.102.

16 Revisor's Note
17 (End of Subchapter)

18 (1) Section 13, Chapter 287, Acts of the 61st
19 Legislature, Regular Session, 1969, provides that
20 district bonds are authorized investments for certain
21 entities. The revised law omits the provision as
22 unnecessary. As to several of the entities listed,
23 Section 13 has been superseded and impliedly repealed.
24 Investments in securities by banks are regulated by
25 Section 34.101, Finance Code (enacted in 1995 as
26 Section 5.101, Texas Banking Act (Article 342-5.101,
27 Vernon's Texas Civil Statutes)). Investments in
28 securities by savings banks are regulated by Section
29 93.001(c)(10), Finance Code (enacted in 1993 as
30 Section 7.15(10), Texas Savings Bank Act (Article
31 489e, Vernon's Texas Civil Statutes)). Investments in
32 securities by trust companies are regulated by Section
33 184.101, Finance Code (enacted in 1997 as Section
34 5.101, Texas Trust Company Act (Article 342a-5.101,
35 Vernon's Texas Civil Statutes)). Investments in
36 securities by savings and loan associations are
37 regulated by Sections 63.002 and 64.001, Finance Code.

1 As to the remaining entities listed, Section 13 is
2 superseded by Section 1201.041, Government Code,
3 enacted as Section 9, Bond Procedures Act of 1981
4 (Article 717k-6, Vernon's Texas Civil Statutes).
5 Section 1201.041, Government Code, applies to district
6 bonds by application of Section 1201.002, Government
7 Code. The revised law omits the reference to public
8 funds of this state because it has been superseded by
9 Section 404.024, Government Code (enacted in 1985 as
10 Section 2.014, Treasury Act (Article 4393-1, Vernon's
11 Texas Civil Statutes)), which governs the investment
12 of state funds. Section 404.024(b)(10), Government
13 Code, authorizes the investment of state funds in
14 obligations of political subdivisions, including
15 hospital districts. The omitted law reads:

16 Sec. 13. All bonds issued hereunder
17 and indebtedness assumed by the district
18 shall be and are hereby declared to be legal
19 and authorized investments of banks,
20 savings banks, trust companies, building
21 and loan associations, savings and loan
22 associations, insurance companies,
23 trustees, and sinking funds of cities,
24 towns, villages, counties, school
25 districts, or other political subdivisions
26 of the State of Texas, and for all public
27 funds of the State of Texas or its agencies
28 including the state permanent school
29 fund. . . .

30 (2) Section 13, Chapter 287, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that
32 district bonds may secure deposits of public funds of
33 this state or political subdivisions of this state.
34 The revised law omits the provisions as impliedly
35 repealed by Section 404.0221, Government Code (enacted
36 in 1995), which lists eligible collateral for deposits
37 of state funds by the comptroller, and by Chapter 2257,
38 Government Code (enacted in 1989 as Article 2529d,
39 Vernon's Texas Civil Statutes), which governs eligible
40 collateral for deposits of funds of other public
41 agencies, including political subdivisions. The

1 omitted law reads:

2 Sec. 13. . . . Such bonds and
3 indebtedness shall be eligible to secure
4 deposit of public funds of the State of
5 Texas and public funds of cities, towns,
6 villages, counties, school districts, or
7 other political subdivisions or
8 corporations of the State of Texas, and
9 shall be lawful and sufficient security for
10 said deposits to the extent of their value
11 when accompanied by all unmatured coupons
12 appurtenant thereto.

13 [Sections 1064.259-1064.300 reserved for expansion]

14 SUBCHAPTER G. TAXES

15 Revised Law

16 Sec. 1064.301. 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
28 purchase, lease, or condemnation. (Acts 61st Leg., R.S., Ch. 287,
29 Secs. 12 (part), 15 (part).)

30 Source Law

31 Sec. 12. The board of directors shall annually
32 levy a tax . . . for the purpose of (1) paying the
33 interest on and creating a sinking fund for bonds and
34 other obligations which may be issued or assumed by the
35 hospital district for hospital purposes as herein
36 provided; (2) providing for the operation and
37 maintenance of the hospital district and hospital
38 system; and (3) for the purpose of making further
39 improvements and additions to the hospital system, and
40 for the acquisition of necessary sites therefor by
41 purchase, lease or condemnation. . . .

42 Sec. 15. . . . Hospital tax shall be levied
43 upon all taxable property within said district subject
44 to hospital district taxation.

1 Revised Law

2 Sec. 1064.302. 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 61st
7 Leg., R.S., Ch. 287, Secs. 3(b) (part), 12 (part).)

8 Source Law

9 [Sec. 3]

10 (b) . . . [hospital district shall be created
11 with authority to levy annual taxes] at a rate not to
12 exceed 75¢ on the \$100 valuation of taxable property
13 situated within the district subject to hospital
14 district taxation

15 Sec. 12. [The board of directors shall annually
16 levy a tax] of not to exceed the amount hereinabove
17 permitted In setting such tax rate the board
18 shall take into consideration the income of the
19 district from sources other than taxation. . . .

20 Revisor's Note

21 Section 12, Chapter 287, Acts of the 61st
22 Legislature, Regular Session, 1969, requires the board
23 to levy the tax and to certify the tax rate to the tax
24 assessor-collector. The revised law omits that
25 provision because Section 26.05(a), Tax Code, requires
26 the governing body of a taxing unit to adopt a tax rate
27 for the current tax year and to notify the tax assessor
28 of that rate. The omitted law reads:

29 Sec. 12. . . . Upon determination
30 of the amount of tax required to be levied,
31 the board shall make such levy and certify
32 the same to the tax assessor-collector of
33 said district.

34 Revised Law

35 Sec. 1064.303. ASSESSMENT AND COLLECTION OF TAXES IN SAME
36 MANNER AS COUNTY. (a) This section applies unless the board elects
37 to have taxes assessed and collected under Section 1064.304.

38 (b) District taxes shall be assessed and collected in the
39 same manner as provided by law for the assessment and collection of
40 county taxes.

41 (c) The tax assessor-collector shall assess and collect

1 taxes imposed by the district.

2 (d) The tax assessor-collector shall charge and deduct from
3 payments to the district an amount as fees for assessing and
4 collecting the taxes at a rate determined by the board. (Acts 61st
5 Leg., R.S., Ch. 287, Sec. 15 (part).)

6 Source Law

7 Sec. 15. . . . unless the directors, by
8 majority vote, elect to have taxes assessed and
9 collected by its own tax assessor-collector under
10 Subsection (b) of this section hereof. . . .

11 (a) Under this subsection, district taxes shall
12 be assessed and collected . . . in the same manner as
13 provided by law with relation to county taxes. The tax
14 assessor-collector shall be charged and required to
15 accomplish the assessment and collection of all taxes
16 levied by and on behalf of the district. The
17 assessor-collector of taxes shall charge and deduct
18 from payments to the hospital district an amount as
19 fees for assessing and collecting the taxes at a rate
20 as may be determined by the board of directors. . . .

21 Revisor's Note

22 (1) Section 15, Chapter 287, Acts of the 61st
23 Legislature, Regular Session, 1969, refers to the
24 assessment and collection of district taxes on
25 appraisal district tax values. The revised law omits
26 that provision because it duplicates the Property Tax
27 Code (Title 1, Tax Code), a comprehensive, substantive
28 codification of property tax law. Title 1, Tax Code,
29 provides the exclusive procedures for the appraisal of
30 property for taxation by a taxing unit, including a
31 county or hospital district. The omitted law reads:

32 Sec. 15. . . . All taxes of the
33 district shall be assessed and collected on
34 appraisal district tax values as provided
35 in Subsection (a) of this section hereof
36

37 (a) . . . district taxes shall be
38 assessed and collected on appraisal
39 district tax values

40 (2) Section 15(a), Chapter 287, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that
42 interest and penalties on district taxes and discounts
43 are the same as for county taxes. The revised law
44 omits that provision because it duplicates Chapter 33,

1 Tax Code, which provides for the assessment of
2 penalties and interest on delinquent taxes for taxing
3 units, including counties and hospital districts, and
4 duplicates Section 31.05, Tax Code, which provides for
5 discounts on the early payment of taxes to taxing
6 units, including counties and hospital districts. The
7 omitted law reads:

8 (a) . . . Interest and penalties on
9 taxes paid to the hospital district shall be
10 the same as in the case of county taxes.
11 Discounts shall be the same as allowed by
12 the county. . . .

13 (3) Section 15(a), Chapter 287, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that tax
15 revenue shall be deposited in the district's
16 depository. The revised law omits the provision
17 because it duplicates Section 31.10, Tax Code, which
18 requires the tax assessor-collector of a taxing unit
19 to deposit taxes collected in the unit's depository.
20 The omitted law reads:

21 (a) . . . The residue of tax
22 collections shall be deposited in the
23 district's depository. . . .

24 (4) Section 15(a), Chapter 287, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that the
26 bond of the tax assessor-collector is security for the
27 performance of district duties unless the board
28 determines that an additional bond is necessary. The
29 revised law omits that provision because it duplicates
30 Section 6.29(b), Tax Code, which authorizes a taxing
31 unit whose taxes are collected by the collector for
32 another taxing unit to require that collector to post
33 an additional bond. The omitted law reads:

34 (a) . . . The bond of the tax
35 assessor-collector shall stand as security
36 for the proper performance of the
37 assessor-collector's duties as
38 assessor-collector of the district; or, if
39 in the judgment of the district board of
40 directors it is necessary, additional bond
41 payable to the district may be

1 required. . . .

2 (5) Section 15(a), Chapter 287, Acts of the 61st
3 Legislature, Regular Session, 1969, states that the
4 tax assessor-collector may act in accordance with
5 state law relating to the assessment, collection, and
6 enforcement of state and county taxes. The revised law
7 omits that provision as unnecessary. The state law
8 relating to the assessment, collection, and
9 enforcement of all ad valorem taxes is Title 1, Tax
10 Code. Section 1.02, Tax Code, requires all taxing
11 units of government to administer the assessment,
12 collection, and enforcement of taxes in conformity
13 with that title. The omitted law reads:

14 (a) . . . In all matters pertaining
15 to the assessment, collection and
16 enforcement of taxes for the district, the
17 tax assessor-collector shall be authorized
18 to act in all respects according to the laws
19 of the State of Texas relating to state and
20 county taxes.

21 Revised Law

22 Sec. 1064.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX
23 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
24 assessed and collected by a tax assessor-collector appointed by the
25 board. An election under this subsection must be made before
26 December 1 and governs the manner in which taxes are assessed and
27 collected, until changed by a similar resolution.

28 (b) The board shall set for the district tax
29 assessor-collector:

- 30 (1) the terms of employment;
31 (2) compensation; and
32 (3) the requirement for bond to assure the faithful
33 performance of the tax assessor-collector's duties.

34 (c) A bond required under Subsection (b)(3) must be set in
35 an amount of not less than \$100,000. (Acts 61st Leg., R.S., Ch.
36 287, Sec. 15 (part).)

37 Source Law

38 Sec. 15. . . . [unless the directors, by

1 majority vote, elect to have taxes assessed and
2 collected by its own tax assessor-collector under
3 Subsection (b) of this section hereof.] Any such
4 election may be made prior to December 1 annually and
5 shall govern the manner in which taxes are thereafter
6 assessed and collected, until changed by a similar
7 resolution.

8 . . .
9 (b) Under this subsection, taxes shall be
10 assessed and collected by a tax assessor-collector
11 appointed by the directors, who shall also fix the
12 terms of the assessor-collector's employment,
13 compensation, and requirement for bond to assure the
14 faithful performance of the assessor-collector's
15 duties, but in no event shall such bond be for less
16 than \$100,000. . . .

17 Revisor's Note
18 (End of Subchapter)

19 Section 15, Chapter 287, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that the
21 directors may impose taxes for the entire year in which
22 the district is established. The revised law omits
23 this provision as executed. The omitted law reads:

24 Sec. 15. The directors shall have the
25 authority to levy taxes for the entire year
26 in which the district is established as the
27 result of the election herein
28 provided. . . .

29 Revisor's Note
30 (End of Chapter)

31 (1) Sections 2 and 19, Chapter 287, Acts of the
32 61st Legislature, Regular Session, 1969, provide for
33 the transfer of certain land, buildings, improvements,
34 equipment, funds, and taxes to the district after the
35 district is created and provide for the assumption of
36 debt by the district on creation. The revised law
37 omits the provisions as executed. The omitted law
38 reads:

39 Sec. 2. The district herein
40 authorized to be created shall take over and
41 there shall be transferred to it title to
42 all lands, buildings, improvements,
43 equipment, and choses in action in anywise
44 pertaining to the hospitals or hospital
45 system owned by Moore County, and any city
46 or town within such county and
47 thereafter, Such district shall
48 assume all outstanding obligations and
49 indebtedness incurred by any city or town
50 within Moore County or by Moore County for
51 hospital purposes prior to the creation of
52 said district.

1 Sec. 19. . . . When the district is
2 created and established, the county and all
3 towns and cities located therein shall
4 convey and transfer to the district title to
5 all lands, buildings, improvements, and
6 equipment in anywise pertaining to a
7 hospital or hospital system which may be
8 jointly or separately owned by the county or
9 any city or town within said district.
10 Operating funds and reserves for operating
11 expenses which are on hand and funds which
12 have been budgeted for hospital purposes by
13 the county or any city or town therein for
14 the remainder of the fiscal year in which
15 the district is established shall likewise
16 be transferred to said district, as shall
17 taxes theretofore levied for hospital
18 purposes for the current year, and all
19 sinking funds established for payment of
20 indebtedness assumed by the district.

21 (2) Section 22, Chapter 287, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that the
23 act is severable. The revised law omits this provision
24 because it duplicates Section 311.032, Government Code
25 (Code Construction Act), which provides that a
26 provision of a statute is severable from each other
27 provision of the statute that can be given effect. The
28 omitted law reads:

29 Sec. 22. . . . If any provision of
30 this Act should be invalid, such fact shall
31 not affect the authorization for the
32 creation of the district or the validity of
33 any other provisions of this Act, and the
34 Legislature hereby declares that it would
35 have created the district and enacted the
36 valid provisions of this Act
37 notwithstanding the invalidity of any other
38 provision or provisions hereof.

39 (3) Section 23, Chapter 287, Acts of the 61st
40 Legislature, Regular Session, 1969, provides that
41 public notice of enactment of the statute was provided
42 in a manner that satisfies the requirements of the
43 Texas Constitution. The revised law omits that
44 section as executed. The omitted law reads:

45 Sec. 23. Proof of publication of the
46 notice required in the enactment hereof
47 under the provisions of Article IX, Section
48 9 of the Texas Constitution, has been made
49 in the manner and form provided by law
50 pertaining to the enactment of local and
51 special laws, and such notice is hereby
52 found and declared proper and sufficient to

1 satisfy such requirement.

2 (4) Sections 11(a) and (b) and 12, Chapter 1091,
3 Acts of the 76th Legislature, Regular Session, 1999,
4 provide transition language regarding board
5 appointments. The revised law omits the provisions as
6 executed. The omitted law reads:

7 Sec. 11. (a) To succeed the
8 directors of the Moore County Hospital
9 District who were appointed by the
10 commissioners court and whose terms expire
11 in 2000, the Moore County Commissioners
12 Court shall appoint two directors to serve
13 terms expiring April 1, 2002, and one
14 director to serve a term expiring April 1,
15 2003.

16 (b) To succeed the directors of the
17 Moore County Hospital District who were
18 appointed by the commissioners court and
19 whose terms expire in 2001, the Moore County
20 Commissioners Court shall appoint one
21 director to serve a term expiring April 1,
22 2003, and two directors to serve terms
23 expiring April 1, 2004.

24 Sec. 12. As soon as possible after
25 the effective date of this Act, the medical
26 staff of the Moore County Hospital
27 District's hospital shall appoint one
28 director of the district in the manner
29 provided by Section 4, Chapter 287, Acts of
30 the 61st Legislature, Regular Session,
31 1969, as amended by this Act.

32 (5) Section 13, Chapter 1091, Acts of the 76th
33 Legislature, Regular Session, 1999, provides
34 transition language regarding changes to the
35 district's competitive bid process. The revised law
36 omits the provision as executed. The omitted law
37 reads:

38 Sec. 13. The changes in law made by
39 this Act to Section 10, Chapter 287, Acts of
40 the 61st Legislature, Regular Session,
41 1969, apply only to a request for
42 competitive bids made by the board of
43 directors of the Moore County Hospital
44 District on or after the effective date of
45 this Act. A request for competitive bids by
46 a board made before the effective date of
47 this Act is covered by the law in effect
48 when the board submitted the request for
49 competitive bids, and the former law is
50 continued in effect for that purpose.

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12 CHAPTER 1067. MUENSTER HOSPITAL DISTRICT

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Revised Law

15 Sec. 1067.001. 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 Muenster Hospital District.

20 (New.)

21 Revisor's Note

22 The definitions of "board," "director," and

23 "district" are added to the revised law for drafting

24 convenience and to eliminate frequent, unnecessary

25 repetition of the substance of the definitions.

26 Revised Law

27 Sec. 1067.002. AUTHORITY FOR CREATION. The Muenster

28 Hospital District is created under the authority of Section 9,

29 Article IX, Texas Constitution. (Acts 59th Leg., R.S., Ch. 477,

30 Sec. 1(a).)

31 Source Law

32 Sec. 1. (a) By authority of Section 9, Article

33 IX, Constitution of the State of Texas, this Act

34 authorizes the creation of the Muenster Hospital

35 District in Cooke County.

1 Revised Law

2 Sec. 1067.003. ESSENTIAL PUBLIC FUNCTION. The district
3 performs an essential public function in carrying out the purposes
4 of this chapter. (Acts 59th Leg., R.S., Ch. 477, Sec. 11 (part).)

5 Source Law

6 Sec. 11. In carrying out the purposes of this
7 Act the District will be performing an essential
8 public function and

9 Revised Law

10 Sec. 1067.004. DISTRICT TERRITORY. The district is
11 composed of the territory described by Section 2a, Chapter 477,
12 Acts of the 59th Legislature, Regular Session, 1965. (New.)

13 Revisor's Note

14 (1) The revision of the law governing the
15 district does not revise the statutory language
16 describing the territory of the district to avoid the
17 lengthy recitation of the description. For the
18 reader's convenience, the revised law includes a
19 reference to the statutory description of the
20 district's territory.

21 (2) Section 1(b), Chapter 477, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that the
23 boundaries of the district are coterminous with the
24 boundaries of the Muenster Independent School District
25 and a part of the Saint Jo Independent School District.
26 Section 2a, Chapter 477, Acts of the 59th Legislature,
27 Regular Session, 1965, as added by Chapter 212, Acts of
28 the 64th Legislature, Regular Session, 1975, provided
29 for the expansion of the district beyond the original
30 district boundaries established in 1965. Because the
31 boundaries of the district were expanded in accordance
32 with Section 2a, the revised law omits Section 1(b) as
33 superseded by Section 2a. The omitted law reads:

34 (b) The boundaries of the Muenster
35 Hospital District are coterminous with the
36 boundaries of the Muenster Independent
37 School District and that part of the Saint

1 Jo Independent School District located in
2 Cooke County as those districts are fixed on
3 the effective date of this Act.

4 Revised Law

5 Sec. 1067.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
6 OBLIGATION. The support and maintenance of the district may not
7 become a charge against or obligation of this state. (Acts 59th
8 Leg., R.S., Ch. 477, Sec. 21 (part).)

9 Source Law

10 Sec. 21. The support and maintenance of
11 Muenster Hospital District shall never become a charge
12 against or obligation of the State of Texas,

13 Revised Law

14 Sec. 1067.006. 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 59th Leg., R.S., Ch. 477, Sec. 21 (part).)

18 Source Law

19 Sec. 21. . . . nor shall any direct
20 appropriation be made by the Legislature for the
21 construction, maintenance or improvement of any of the
22 facilities of such District.

23 Revisor's Note
24 (End of Subchapter)

25 Section 3, Chapter 477, Acts of the 59th
26 Legislature, Regular Session, 1965, provides
27 procedures for holding an election on the creation of
28 the district and the imposition of an ad valorem tax.
29 Because the creation of the district and the
30 imposition of the tax were approved at the election,
31 the revised law omits the relevant law as executed.
32 The omitted law reads:

33 Sec. 3. The District shall not be
34 created, nor shall any tax therein be
35 authorized unless and until such creation
36 and such tax are approved by a majority of
37 the qualified property taxpaying electors
38 of the District voting at an election called
39 for such purpose. Such election shall be
40 called by a majority of the temporary or
41 provisional directors of the District and
42 shall be held not less than thirty (30) nor
43 more than sixty (60) days from the time such
44 election is ordered. The order calling the
45 election shall specify the time and places

1 of holding same, the form of ballot and the
2 presiding judge for each voting place.
3 Notice of election shall be given by
4 publishing a substantial copy of the
5 election order in a newspaper of general
6 circulation in the area of the proposed
7 District once a week for two consecutive
8 weeks, the first publication to appear at
9 least fourteen (14) days prior to the date
10 set for the election. The failure of any
11 such election shall not operate to prohibit
12 the calling and holding of subsequent
13 elections for the same purpose. At said
14 election there shall be submitted to the
15 qualified property taxpaying electors of
16 said proposed District the proposition of
17 whether or not Muenster Hospital District
18 shall be created with authority to levy
19 annual taxes at a rate not to exceed
20 seventy-five cents (75¢) on the One Hundred
21 Dollars valuation of all taxable property
22 within such District for the purpose of
23 meeting the requirements of the District's
24 bonds and for the care of indigents, and a
25 majority of the qualified taxpaying
26 electors of the District voting at said
27 election in favor of the proposition shall
28 be sufficient for its adoption. The ballots
29 shall have printed thereon the following:

30 "FOR the creation of Muenster Hospital
31 District, the levy of a tax not to exceed
32 seventy-five cents (75¢) on the One Hundred
33 Dollars (\$100) valuation.

34 "AGAINST the creation of Muenster
35 Hospital District, the levy of a tax not to
36 exceed seventy-five cents (75¢) on the One
37 Hundred Dollars (\$100) valuation."

38 [Sections 1067.007-1067.050 reserved for expansion]

39 SUBCHAPTER B. DISTRICT ADMINISTRATION

40 Revised Law

41 Sec. 1067.051. BOARD ELECTION; TERM. (a) The district
42 consists of nine elected directors.

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

44 (c) An election shall be held on the uniform election date
45 in May of each year to elect the appropriate number of directors.

46 (d) The election order must state the time, place, and
47 purpose of the election. (Acts 59th Leg., R.S., Ch. 477, Sec. 4(a)
48 (part).)

49 Source Law

50 Sec. 4. (a) The Board of Directors consists of
51 nine Directors. Directors elected at elections held
52 after May, 1997, serve staggered three-year terms. A
53 regular election for Directors shall be held on the
54 first Saturday in May of each year. [The regular
55 election for Directors shall be ordered] . . . such
56 order shall state the time, place and purpose of the

1 election, and

2 Revisor's Note

3 (1) Section 4(a), Chapter 477, Acts of the 59th
4 Legislature, Regular Session, 1965, refers to
5 elections of directors "held after May, 1997." The
6 revised law omits the quoted language as executed.

7 (2) Section 4(a), Chapter 477, Acts of the 59th
8 Legislature, Regular Session, 1965, was amended in
9 1995 to require board elections on the "first Saturday
10 in May." From 1986 to 2003, Section 41.001, Election
11 Code, provided for a uniform election date for all
12 political subdivisions on the first Saturday in May.
13 In Chapter 1315, Acts of the 78th Legislature, Regular
14 Session, 2003, the legislature amended Section 41.001
15 by moving the uniform election date in May to the third
16 Saturday. In Chapter 1, Acts of the 78th Legislature,
17 3rd Called Session, 2003, the legislature amended
18 Section 41.001 by moving the uniform election date in
19 May back to the first Saturday. In Chapter 471, Acts
20 of the 79th Legislature, Regular Session, 2005, the
21 legislature amended Section 41.001 by moving the
22 uniform election date in May to the second Saturday.
23 The revised law substitutes "uniform election date in
24 May" for "first Saturday in May" to reflect these
25 changes while preserving as closely as possible the
26 legislative intent expressed in the 1995 amendment to
27 Chapter 477 that the election be held on the first
28 Saturday in May, which was at that time the uniform
29 election date in May.

30 (3) Section 4(a), Chapter 477, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that the
32 board shall order the election of directors. The
33 revised law omits the provision requiring the board to
34 order the election because it duplicates Section
35 3.004, Election Code, applicable to the district under

1 Section 1.002, Election Code. Section 3.004 requires
2 the governing body of a political subdivision that has
3 elective officers to order the general election for
4 those officers. The revised law omits the reference to
5 Section 3.005, Election Code, because Section 3.005
6 applies to the district by its own terms under Section
7 1.002, Election Code. The omitted law reads:

8 (a) . . . The regular election for
9 Directors shall be ordered by the Board and
10 . . . such election shall be ordered in
11 accordance with Section 3.005, Election
12 Code. . . .

13 (4) Section 4(a), Chapter 477, Acts of the 59th
14 Legislature, Regular Session, 1965, provides that the
15 board shall appoint the presiding judge, who appoints
16 an assistant judge and clerks as required. The revised
17 law omits the provision because it duplicates Sections
18 32.005 and 32.031, Election Code, applicable to the
19 district under Section 1.002, Election Code. The
20 omitted law reads:

21 (a) . . . the Board shall appoint the
22 presiding judge who shall appoint an
23 assistant judge and such clerks as may be
24 required, and

25 (5) Section 14, Chapter 125, Acts of the 74th
26 Legislature, Regular Session, 1995, provides for the
27 staggering of terms for directors to accomplish the
28 change of the members' terms from two to three years.
29 The revised law omits the provision as executed. The
30 omitted law reads:

31 Sec. 14. (a) The election of
32 directors scheduled before the effective
33 date of this Act to be held in May, 1995,
34 shall be held, and the three directors who
35 receive the highest total number of votes
36 shall be elected to serve three-year terms,
37 and the director who receives the fourth
38 highest total number of votes shall be
39 elected to serve a two-year term.

40 (b) In the election of directors
41 scheduled to be held in May, 1996, the three
42 directors who receive the highest total
43 number of votes shall be elected to serve
44 three-year terms, and the two directors who
45 receive the fourth and fifth highest total

1 number of votes shall be elected to serve
2 one-year terms.

3 Revised Law

4 Sec. 1067.052. NOTICE OF ELECTION. Notice of an election of
5 directors shall be published one time in a newspaper of general
6 circulation in the area of the district in accordance with Section
7 4.003(a)(1), Election Code. (Acts 59th Leg., R.S., Ch. 477, Sec.
8 4(a) (part).)

9 Source Law

10 (a) . . . Notice of such election shall be
11 published one time in a newspaper of general
12 circulation in the area of the District in accordance
13 with Section 4.003(a)(1), Election Code. . . .

14 Revised Law

15 Sec. 1067.053. QUALIFICATIONS FOR OFFICE. (a) To be
16 eligible to serve as a director, a person must be:

- 17 (1) a resident of the district; and
- 18 (2) a qualified voter.

19 (b) A district employee may not serve as a director. (Acts
20 59th Leg., R.S., Ch. 477, Sec. 4(b) (part).)

21 Source Law

22 (b) . . . Any person who is a resident of the
23 District and a qualified voter shall be eligible to
24 hold office as director of the District. However, an
25 employee of the District may not serve as a
26 director. . . .

27 Revised Law

28 Sec. 1067.054. BOARD VACANCY. If a vacancy occurs in the
29 office of director, the remaining directors by majority vote shall
30 appoint a director for the unexpired term. (Acts 59th Leg., R.S.,
31 Ch. 477, Sec. 4(a) (part).)

32 Source Law

33 (a) . . . All vacancies in office shall be
34 filled by a majority vote of the remaining Directors
35 and such appointees shall hold office for the
36 unexpired term for which they were appointed.

37 Revised Law

38 Sec. 1067.055. OFFICERS. (a) The board shall elect a
39 president and a vice president from among its members.

40 (b) The board shall appoint a secretary, who need not be a

1 director.

2 (c) Each officer serves for a term of one year.

3 (d) The president is the chief executive officer of the
4 district and has the same right to vote as any other director.

5 (e) If the president is absent or fails and declines to act,
6 the vice president shall perform the president's duties and
7 exercise the president's powers under this chapter. (Acts 59th
8 Leg., R.S., Ch. 477, Sec. 4(b) (part).)

9 Source Law

10 (b) . . . The Board of Directors shall elect
11 from its number a president and vice president and
12 shall appoint a secretary who need not be a director.
13 Each officer shall serve for a term of one year. The
14 president shall be the chief executive officer of the
15 District, and shall have the same right to vote as any
16 other Director. The vice president shall perform all
17 duties and exercise all powers conferred by this Act
18 upon the president when the president is absent or
19 fails and declines to act.

20 Revised Law

21 Sec. 1067.056. COMPENSATION; EXPENSES. A director is not
22 entitled to compensation but is entitled to reimbursement for
23 actual expenses incurred in attending to district business. The
24 expenses must be:

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

26 (2) approved by the remainder of the board. (Acts 59th
27 Leg., R.S., Ch. 477, Sec. 4(b) (part).)

28 Source Law

29 (b) No director shall be entitled to
30 compensation, but shall be entitled to receive actual
31 expenses incurred in attending to the District's
32 business, provided such expenses are reported in the
33 District's minute book or other District records and
34 approved by the remainder of the Board. . . .

35 Revisor's Note

36 Section 4(b), Chapter 477, Acts of the 59th
37 Legislature, Regular Session, 1965, requires that
38 expenses be reported in the "District's minute book or
39 other District records." The revised law omits the
40 reference to the "District's minute book" because the
41 minute book is a district record.

1 Revised Law

2 Sec. 1067.057. DISTRICT ADMINISTRATOR; ASSISTANT
3 ADMINISTRATOR. (a) The board shall appoint a qualified person as
4 district administrator.

5 (b) The board may appoint an assistant administrator.

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) The board may require the district administrator,
10 before assuming the administrator's duties, to execute a bond
11 payable to the district in an amount set by the board of not less
12 than \$5,000 that:

13 (1) is conditioned on the faithful performance of the
14 administrator's duties; and

15 (2) contains other conditions the board may require.

16 (e) The board may pay for the bond with district money.
17 (Acts 59th Leg., R.S., Ch. 477, Sec. 5(a) (part).)

18 Source Law

19 (a) . . . The Board of Directors shall appoint a
20 qualified person to be known as the administrator of
21 the Hospital District and may in its discretion
22 appoint an assistant to the administrator. Such
23 administrator and assistant administrator, if any,
24 shall serve at the will of the Board and shall receive
25 such compensation as may be fixed by the Board. The
26 Board may require the administrator before assuming
27 the administrator's duties to execute a bond payable to
28 the Hospital District in an amount to be set by the
29 Board of Directors, in no event less than \$5,000
30 conditioned on the faithful performance of the
31 administrator's duties and containing such other
32 conditions as the Board may require. The Board may pay
33 for the bond with District funds.

34 Revised Law

35 Sec. 1067.058. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
36 Subject to the limitations prescribed by the board, the district
37 administrator shall:

38 (1) supervise the work and activities of the hospital;
39 and

40 (2) direct the affairs of the district. (Acts 59th
41 Leg., R.S., Ch. 477, Sec. 5(b) (part).)

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Source Law

(b) The administrator shall supervise all the work and activities of the Hospital and shall have general direction of the affairs of the District, subject to such limitations as may be prescribed by the Board. . . .

Revised Law

Sec. 1067.059. APPOINTMENT AND RECRUITMENT OF STAFF AND EMPLOYEES. (a) The board, with the district administrator, may appoint to the staff any doctors the board considers necessary for the efficient operation of the district.

(b) The board may employ technicians, nurses, and other employees as considered necessary for the efficient operation of the hospital or may provide that the district administrator has the authority to admit or employ those persons.

(c) The board may spend district money to recruit physicians, nurses, and other trained medical personnel. The board may pay the tuition or other expenses of a full-time medical student or other student in a health occupation who:

- (1) is enrolled in and is in good standing at an accredited medical school, college, or university; and
- (2) contractually agrees to become a district employee or independent contractor in return for that assistance. (Acts 59th Leg., R.S., Ch. 477, Secs. 5(b) (part), (g).)

Source Law

(b) . . . The Board of Directors, with the administrator, shall have the authority to appoint to the staff doctors the Board considers necessary for the efficient operation of the District. The Board may employ technicians, nurses and other employees of every kind and character as may be deemed necessary for the efficient operation of the Hospital, or may provide that the administrator shall have the authority to admit or employ such persons.

(g) The Board of Directors may spend District funds to recruit physicians, nurses, and other trained medical personnel. The Board may contract with one or more full-time medical students or other students in a health occupation, each of whom is enrolled in good standing in an accredited medical school, college, or university, to pay the student's tuition or other expenses in consideration of the student's contractual agreement to serve as an employee or independent contractor for the District under terms provided for in the contract.

1 Revisor's Note

2 Section 5(g), Chapter 477, Acts of the 59th
3 Legislature, Regular Session, 1965, provides that a
4 student who receives assistance from the district must
5 become a district employee "under terms provided for
6 in the contract." The revised law omits the quoted
7 language because the provisions of a contract between
8 the board and a student apply by their own terms.

9 Revised Law

10 Sec. 1067.060. PERSONNEL CONTRACTS. (a) The board may
11 contract to provide administrative and other personnel for the
12 operation of the hospital facilities.

13 (b) The term of the contract may not exceed 25 years from the
14 date the contract is entered. (Acts 59th Leg., R.S., Ch. 477, Sec.
15 5(e) (part).)

16 Source Law

17 (e) The Board may also enter into a contract or
18 contracts to provide administrative and other
19 personnel for the operation of the hospital
20 facilities, but in no event may such contract be for a
21 period in excess of 25 years from the date the same is
22 entered. . . .

23 Revised Law

24 Sec. 1067.061. RETIREMENT BENEFITS. The board may provide
25 retirement benefits for district employees by:

26 (1) establishing or administering a retirement
27 program; or

28 (2) participating in:

29 (A) the Texas County and District Retirement
30 System; or

31 (B) another statewide retirement system in which
32 the district is eligible to participate. (Acts 59th Leg., R.S., Ch.
33 477, Sec. 5(f).)

34 Source Law

35 (f) The Board may provide retirement benefits
36 for the employees of the District by establishing or
37 administering a retirement program or electing to
38 participate in the Texas County and District
39 Retirement System or any other statewide retirement

1 system in which the District is eligible to
2 participate.

3 Revisor's Note
4 (End of Subchapter)

5 (1) Section 4(a), Chapter 477, Acts of the 59th
6 Legislature, Regular Session, 1965, states that a
7 person must file a ballot application with the board
8 secretary to be a candidate for director in accordance
9 with Section 144.005, Election Code. The revised law
10 omits the requirement to file the application with the
11 board secretary because it duplicates Sections 144.003
12 and 144.004, Election Code, applicable to the district
13 under Section 1.002, Election Code. The revised law
14 omits the reference to Section 144.005, Election Code,
15 because that section applies to the district by its own
16 terms under Section 1.002, Election Code. The omitted
17 law reads:

18 (a) . . . Any person desiring his
19 name to be printed on the ballot as a
20 candidate for director shall file an
21 application with the secretary of the Board
22 of Directors of the District in accordance
23 with Section 144.005, Election Code. . . .

24 (2) Section 4(c), Chapter 477, Acts of the 59th
25 Legislature, Regular Session, 1965, requires each
26 director to take the constitutional oath of office.
27 The revised law omits that provision because Section
28 1, Article XVI, Texas Constitution, requires all
29 officers to take the oath (or affirmation) before
30 assuming office. The omitted law reads:

31 (c) Each Director and his successor
32 in office shall qualify by executing the
33 Constitutional oath of office. . . .

34 (3) Section 4(c), Chapter 477, Acts of the 59th
35 Legislature, Regular Session, 1965, provides that a
36 majority of the board constitutes a quorum. The
37 revised law omits that provision because it duplicates
38 Section 311.013, Government Code (Code Construction
39 Act), which provides that a quorum of a public body is

1 a majority of the number of members fixed by statute.

2 The omitted law reads:

3 (c) . . . A majority of the Board
4 shall constitute a quorum for the
5 transaction of business.

6 [Sections 1067.062-1067.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Revised Law

9 Sec. 1067.101. DISTRICT RESPONSIBILITY. The district has
10 full responsibility for:

11 (1) operating all hospital facilities for providing
12 medical and hospital care of the indigent persons in the district;
13 and

14 (2) providing medical and hospital care for the
15 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 477, Secs.
16 2 (part), 20 (part).)

17 Source Law

18 Sec. 2. . . . Such district shall assume full
19 responsibility for providing medical and hospital care
20 for its needy inhabitants.

21 Sec. 20. . . . the said Muenster Hospital
22 District shall assume full responsibility for the
23 operation of all hospital facilities for the
24 furnishing of medical and hospital care of indigent
25 persons within its boundaries.

26 Revisor's Note

27 Sections 2 and 20, Chapter 477, Acts of the 59th
28 Legislature, Regular Session, 1965, provide that the
29 district "shall assume" full responsibility for
30 providing medical and hospital care for the district's
31 needy inhabitants and for the operation of hospital
32 facilities for the indigent. The revised law
33 substitutes "has" for the quoted language because the
34 duty to assume the responsibility is executed.

35 Revised Law

36 Sec. 1067.102. RESTRICTION ON POLITICAL SUBDIVISION
37 TAXATION AND DEBT. A political subdivision located within the
38 district may not impose a tax or issue bonds or other obligations

1 for hospital purposes for medical treatment of indigent persons in
2 the district. (Acts 59th Leg., R.S., Ch. 477, Sec. 20 (part).)

3 Source Law

4 Sec. 20. After creation of Muenster Hospital
5 District as herein provided, no other municipality or
6 political subdivision therein shall thereafter issue
7 bonds or other evidences of indebtedness or levy taxes
8 for hospital purposes for medical treatment of
9 indigent persons within the boundaries of said
10 District, and

11 Revisor's Note

12 (1) Section 20, Chapter 477, Acts of the 59th
13 Legislature, Regular Session, 1965, prohibits certain
14 actions "[a]fter creation of Muenster Hospital
15 District as herein provided." The revised law omits
16 the quoted language as executed.

17 (2) Section 20, Chapter 477, Acts of the 59th
18 Legislature, Regular Session, 1965, refers to a
19 "municipality or political subdivision." The revised
20 law omits the reference to "municipality" because
21 "municipality" is included in the meaning of
22 "political subdivision."

23 (3) Section 20, Chapter 477, Acts of the 59th
24 Legislature, Regular Session, 1965, provides that
25 certain political subdivisions may not issue bonds or
26 other "evidences of indebtedness." The revised law
27 substitutes "obligations" for "evidences of
28 indebtedness" because, in context, the terms are
29 synonymous, and "obligations" is more commonly used.
30 Section 20 also states that the political subdivisions
31 may not "levy" taxes for hospital purposes.
32 Throughout this chapter, the revised law substitutes
33 "impose" for "levy" because, in this context, the
34 terms are synonymous and the former is more commonly
35 used.

36 Revised Law

37 Sec. 1067.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

1 The board shall manage, control, and administer the hospital, the
2 hospital system, and the district's business, money, and resources.
3 (Acts 59th Leg., R.S., Ch. 477, Sec. 5(a) (part).)

4 Source Law

5 Sec. 5. (a) The Board of Directors shall manage,
6 control and administer the hospital and the hospital
7 system and the business, funds, and resources of the
8 District. . . .

9 Revised Law

10 Sec. 1067.104. HOSPITAL OR HOSPITAL SYSTEM. (a) The
11 district shall provide for the establishment, administration,
12 maintenance, operation, and financing of a hospital or hospital
13 system in the district.

14 (b) The district may provide any services or facilities
15 necessary for hospital or medical care, including:

- 16 (1) rural health clinics;
- 17 (2) outpatient clinics;
- 18 (3) nursing homes;
- 19 (4) home health care agencies;
- 20 (5) extended care facilities;
- 21 (6) assisted living or personal care facilities; and
- 22 (7) retirement, housing, and medical office
23 buildings. (Acts 59th Leg., R.S., Ch. 477, Sec. 2 (part).)

24 Source Law

25 Sec. 2. The District herein authorized to be
26 created shall provide for the establishment,
27 administration, maintenance, operation, and financing
28 of a hospital or hospital system within its boundaries
29 and may provide any services or facilities necessary
30 for hospital or medical care, including rural health
31 clinics, outpatient clinics, nursing homes, home
32 health care agencies, extended care facilities,
33 assisted living or personal care facilities, and
34 retirement, housing, and medical office
35 buildings. . . .

36 Revised Law

37 Sec. 1067.105. RULES. The board may adopt rules for the
38 operation of the district and as required to administer this
39 chapter. (Acts 59th Leg., R.S., Ch. 477, Secs. 5(a) (part), 12
40 (part).)

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

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

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

7 (d) The board may sell or otherwise dispose of the
8 district's property, including facilities and equipment. (Acts
9 59th Leg., R.S., Ch. 477, Secs. 5(d), (e) (part), 12 (part).)

10 Source Law

11 [Sec. 5]

12 (d) The Board may purchase or lease property,
13 facilities, and equipment for the District to use in
14 the hospital system and may mortgage or pledge the
15 property, facilities, or equipment as security for the
16 payment of the purchase price.

17 (e) . . . The Board may transfer District
18 hospital facilities by lease to individuals,
19 corporations, or other legal entities and may sell or
20 otherwise dispose of the District's property,
21 facilities, and equipment.

22 Sec. 12. . . . The Board is given exclusive
23 authority to determine the type, character, and use of
24 the facilities forming a part of the hospital system.

25 Revised Law

26 Sec. 1067.108. EMINENT DOMAIN. (a) The district may
27 exercise the power of eminent domain to acquire a fee simple or
28 other interest in any type of property located in district
29 territory if the interest is necessary or convenient for the
30 district to exercise a power, right, or privilege conferred by this
31 chapter.

32 (b) The district must exercise the power of eminent domain
33 in the manner provided by Chapter 21, Property Code. (Acts 59th
34 Leg., R.S., Ch. 477, Sec. 15.)

35 Source Law

36 Sec. 15. The District created hereunder shall
37 have the right and power of eminent domain for the
38 purpose of acquiring by condemnation any and all
39 property of any kind and character in fee simple or any
40 lesser interest therein, within the boundaries of the
41 District necessary or convenient to the powers, rights
42 and privileges conferred by this Act, in the manner
43 provided by the General Law with respect to
44 condemnation.

1 Revisor's Note

2 (1) Section 15, Chapter 477, Acts of the 59th
3 Legislature, Regular Session, 1965, provides that the
4 district has the "right and power of eminent domain for
5 the purpose of acquiring [property] by condemnation."
6 The revised law substitutes for the quoted language
7 "may exercise the power of eminent domain to acquire
8 [property]" because the phrases have the same meaning
9 and the latter phrase is consistent with modern usage
10 in laws relating to eminent domain.

11 (2) Section 15, Chapter 477, Acts of the 59th
12 Legislature, Regular Session, 1965, provides that the
13 district must exercise the power of eminent domain in
14 the manner provided by "the General Law with respect to
15 condemnation." The revised law substitutes for the
16 quoted language a reference to Chapter 21, Property
17 Code, because that is the general law governing
18 eminent domain for governmental entities.

19 Revised Law

20 Sec. 1067.109. GIFTS AND ENDOWMENTS. The board may accept
21 for the district a gift or endowment to be held in trust and
22 administered by the board for the purposes and under the
23 directions, limitations, or other provisions prescribed in writing
24 by the donor that are not inconsistent with the proper management
25 and objectives of the district. (Acts 59th Leg., R.S., Ch. 477,
26 Sec. 18.)

27 Source Law

28 Sec. 18. The Board of Directors of the Hospital
29 District is authorized on behalf of such District to
30 accept donations, gifts and endowments to be held in
31 trust and administered by the Board of Directors for
32 such purposes and under such directions, limitations
33 and provisions as may be prescribed in writing by the
34 donor, not inconsistent with proper management and
35 object of the Hospital District.

36 Revisor's Note

37 Section 18, Chapter 477, Acts of the 59th
38 Legislature, Regular Session, 1965, refers to

1 "donations" and "gifts." The revised law omits the
2 reference to "donations" because "donations" is
3 included in the meaning of "gifts."

4 Revised Law

5 Sec. 1067.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
6 CARE AND TREATMENT. (a) The board may contract with a county or
7 municipality located outside the district for the care and
8 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 for whom this
12 state or the agency is responsible. (Acts 59th Leg., R.S., Ch. 477,
13 Sec. 5(c).)

14 Source Law

15 (c) Such Board shall be authorized to contract
16 with any county or incorporated municipality located
17 outside the District for the care and treatment of the
18 sick, diseased or injured persons of any such county or
19 municipality and shall have the authority to contract
20 with the State of Texas and agencies of the Federal
21 government, for treatment of sick, diseased or injured
22 persons for whom the State of Texas or the Federal
23 government are responsible.

24 Revisor's Note

25 (1) Section 5(c), Chapter 477, Acts of the 59th
26 Legislature, Regular Session, 1965, refers to an
27 "incorporated municipality." The revised law omits the
28 reference to "incorporated" because under the Local
29 Government Code all municipalities must be
30 incorporated.

31 (2) Section 5(c), Chapter 477, Acts of the 59th
32 Legislature, Regular Session, 1965, refers to the
33 treatment of a "sick, diseased or injured" person. The
34 revised law omits the reference to "diseased" because
35 "diseased" is included in the meaning of "sick."

36 Revised Law

37 Sec. 1067.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)
38 When an indigent patient who resides in the district is admitted to

1 a district facility or a person who does not reside in the district
2 is admitted as an emergency patient to a district facility, the
3 district administrator 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 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 as care for
12 indigents.

13 (c) If the district administrator determines that the
14 patient or those relatives can pay for all or part of the costs of
15 the patient's care and treatment, the patient or those relatives
16 shall be ordered to pay the district a specified amount each week
17 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 administrator may collect the amount from
21 the patient's estate, or from any relative who is legally liable for
22 the patient's support, in the manner provided by law for the
23 collection of 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 administrator, the board shall hold a
26 hearing and, after calling witnesses, shall:

- 27 (1) resolve the dispute or doubt; and
- 28 (2) issue any appropriate orders.

29 (f) A final order of the board may be appealed to the
30 district court. The substantial evidence rule applies to the
31 appeal. (Acts 59th Leg., R.S., Ch. 477, Sec. 17.)

32 Source Law

33 Sec. 17. Whenever an indigent patient residing
34 within the District has been admitted to the
35 facilities thereof, the administrator or manager shall
36 cause inquiry to be made as to his circumstances and

1 those of the relatives of such patient legally liable
2 for his support. If he finds that such patient or said
3 relatives are able to pay for his care and treatment,
4 in whole or in part, an order shall be made directing
5 such patient or said relatives to pay to the Hospital
6 District for the support of such patient a specified
7 sum per week in proportion to their financial ability,
8 but such sum shall not exceed the actual per capita
9 cost of maintenance. The administrator or manager
10 shall have power and authority to collect such sums
11 from the estate of the patient or his relatives legally
12 liable for his support in the manner provided by law
13 for the collection of expenses in the last illness of a
14 deceased person. If the administrator or manager finds
15 that such patient or said relatives are not able to
16 pay, either in whole or in part, for his care and
17 treatment in such hospital, same shall become a charge
18 upon the Hospital District to the amount of the
19 inability to pay, as care for indigents. Should there
20 be any dispute as to the ability to pay, or doubt in the
21 mind of the administrator or manager, the Board of
22 Directors shall hear and determine same, after calling
23 witnesses, and shall make such order or orders as may
24 be proper. Appeals from a final order of the Board
25 shall lie to the District Court. The substantial
26 evidence rule shall apply. The provisions of this
27 Section shall also apply to non-residents of the
28 District who are admitted as emergency patients.

29 Revisor's Note

30 Section 17, Chapter 477, Acts of the 59th
31 Legislature, Regular Session, 1965, refers to the
32 district "administrator or manager." Chapter 125,
33 Acts of the 74th Legislature, Regular Session, 1995,
34 amended Section 5, Chapter 477, Acts of the 59th
35 Legislature, Regular Session, 1965, to omit the
36 references to a district manager. For that reason, and
37 because in context "administrator" and "manager" are
38 synonymous, the revised law omits references to a
39 district manager.

40 Revised Law

41 Sec. 1067.112. AUTHORITY TO SUE AND BE SUED. The district,
42 through the board, may sue and be sued. (Acts 59th Leg., R.S., Ch.
43 477, Sec. 5(a) (part).)

44 Source Law

45 (a) . . . The District through its Board of
46 Directors shall have the power and authority to sue and
47 be sued and

48 [Sections 1067.113-1067.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1067.151. BUDGET. Not later than the 30th day before
4 the first day of each fiscal year, the board shall have an annual
5 budget prepared for that fiscal year. (Acts 59th Leg., R.S., Ch.
6 477, Secs. 6(b) (part), 19(a) (part).)

7 Source Law

8 Sec. 6(b). In the event a new fiscal year is
9 adopted under the provisions of Section 6 of this Act,
10 [notice of the public hearing (required by Section 19
11 of this law) on the adoption of a proposed budget shall
12 be given] at least 30 days prior to the beginning of
13 the fiscal or budget year the budget is to cover.

14 Sec. 19. (a) Before September 1 of each year or
15 as provided by Section 6(b) of this Act, the Board of
16 Directors of said Hospital District shall cause to be
17 prepared an annual budget based upon the fiscal year of
18 the Hospital District, and

19 Revisor's Note

20 (1) Section 19, Chapter 477, Acts of the 59th
21 Legislature, Regular Session, 1965, requires that the
22 budget be prepared and that notice of the public
23 hearing on the adoption of the proposed budget be given
24 "[b]efore September 1 of each year or as provided by
25 Section 6(b) of this Act." Section 6(b), Chapter 477,
26 Acts of the 59th Legislature, Regular Session, 1965,
27 which was added by Chapter 541, Acts of the 60th
28 Legislature, Regular Session, 1967, and later amended
29 by Chapter 125, Acts of the 74th Legislature, Regular
30 Session, 1995, requires that the notice be given at
31 least 30 days before the beginning of the fiscal or
32 budget year in which the proposed budget is to apply
33 "[i]n the event a new fiscal year is adopted under the
34 provisions of Section 6 of this Act" by the board.
35 Those 1967 and 1995 laws also authorized the board to
36 change the district's fiscal year. Before the act was
37 amended by those 1967 and 1995 laws, the district's
38 fiscal year was required to begin on October 1.
39 Therefore, the revised law omits the quoted language

1 in Sections 6(b) and 19 because the period from
2 September 1 to October 1 is synonymous with the 30-day
3 period provided by Section 6(b) regardless of whether
4 the board changes the fiscal year.

5 (2) Section 6(b), Chapter 477, Acts of the 59th
6 Legislature, Regular Session, 1965, refers to the
7 "fiscal or budget year." Throughout this chapter, the
8 revised law omits the reference to a "budget year"
9 because, in context, the terms are synonymous, and
10 "fiscal year" is more commonly used in this chapter.

11 Revised Law

12 Sec. 1067.152. NOTICE; ADOPTION OF BUDGET. (a) Not later
13 than the 30th day before the first day of each fiscal year, the
14 board shall give notice of a public hearing on the proposed budget.
15 The notice must be published in a newspaper of general circulation
16 in the district one time at least 10 days before the date set for the
17 hearing.

18 (b) The board shall adopt a budget by acting on the budget
19 proposed by the district administrator.

20 (c) The budget is effective only after adoption by the
21 board. (Acts 59th Leg., R.S., Ch. 477, Secs. 6(b), 19(a) (part).)

22 Source Law

23 Sec. 6(b). In the event a new fiscal year is
24 adopted under the provisions of Section 6 of this Act,
25 notice of the public hearing (required by Section 19 of
26 this law) on the adoption of a proposed budget shall be
27 given at least 30 days prior to the beginning of the
28 fiscal or budget year the budget is to cover.

29 Sec. 19. (a) Before September 1 of each year or
30 as provided by Section 6(b) of this Act, [the Board of
31 Directors of said Hospital District shall cause to be
32 prepared an annual budget based upon the fiscal year of
33 the Hospital District,] and prior to September 1 of
34 each year shall give notice of the public hearing on
35 the proposed budget. Such notice shall be published in
36 a newspaper of general circulation in the District one
37 time at least 10 days prior to the date set for the
38 hearing. The Board shall adopt a budget by taking
39 action on the budget proposed by the administrator.
40 The budget is effective only after adoption by the
41 Board. . . .

42 Revisor's Note

43 Section 6(b), Chapter 477, Acts of the 59th

1 Legislature, Regular Session, 1965, requires that the
2 notice be given at least 30 days before the beginning
3 of the fiscal or budget year in which the proposed
4 budget is to apply "[i]n the event a new fiscal year is
5 adopted under the provisions of Section 6 of this Act"
6 by the board. Section 19, Chapter 477, Acts of the
7 59th Legislature, Regular Session, 1965, requires that
8 the budget be prepared and that notice of the public
9 hearing on the adoption of the proposed budget be given
10 "[b]efore September 1 of each year or as provided by
11 Section 6(b) of this Act." The revised law omits the
12 quoted language for the reason stated in Revisor's Note
13 (1) to Section 1067.151.

14 Revised Law

15 Sec. 1067.153. AMENDMENTS TO BUDGET. After the annual
16 budget is adopted, the budget may be amended on the board's
17 approval. (Acts 59th Leg., R.S., Ch. 477, Sec. 19(a) (part).)

18 Source Law

19 (a) . . . After adoption, the annual budget may
20 be amended on the Board's approval.

21 Revised Law

22 Sec. 1067.154. FISCAL YEAR. (a) The district operates
23 according to a 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 59th
28 Leg., R.S., Ch. 477, Sec. 6 (part).)

29 Source Law

30 Sec. 6. The District shall be operated on a
31 fiscal year established by the Board of Directors. The
32 fiscal year may not be changed when revenue bonds are
33 outstanding or more than one time in a 24-month
34 period. . . .

35 Revised Law

36 Sec. 1067.155. ANNUAL AUDIT. (a) The board annually shall
37 have an audit made of the district's financial condition.

1 (b) The audit shall be open to inspection at all times at the
2 district's principal office. (Acts 59th Leg., R.S., Ch. 477, Sec. 6
3 (part).)

4 Source Law

5 Sec. 6. . . . The Board shall cause an annual
6 audit to be made of the financial condition of said
7 District which shall at all times be open to inspection
8 at the principal office of the District.

9 Revised Law

10 Sec. 1067.156. DEPOSITORY. (a) The board shall select one
11 or more banks to serve as a depository for district money.

12 (b) District money shall be immediately deposited on
13 receipt with a depository bank to pay the principal of and interest
14 on the district's outstanding bonds on or before the maturity date
15 of the principal and interest.

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

20 (d) Membership on the district's board of an officer or
21 director of a bank does not disqualify the bank from being selected
22 as a depository bank. (Acts 59th Leg., R.S., Ch. 477, Sec. 13.)

23 Source Law

24 Sec. 13. The Board of Directors of the District
25 shall name one or more banks to serve as depository for
26 the funds of the District. All such funds shall, as
27 derived and collected, be immediately deposited with
28 such depository bank or banks for the payment of
29 principal of and interest on the outstanding bonds of
30 the District in time that such money may be received by
31 said bank or banks for payment on or prior to the date
32 of maturity of such principal and interest so to be
33 paid. To the extent that funds in the depository bank
34 or banks are not insured by the Federal Deposit
35 Insurance Corporation, they shall be secured in the
36 manner provided by law for security of county funds.
37 Membership on the Board of Directors of an officer or
38 director of a bank shall not disqualify such bank from
39 being designated as depository.

40 Revisor's Note

41 Section 13, Chapter 477, Acts of the 59th
42 Legislature, Regular Session, 1965, refers to money
43 "derived and collected." The revised law substitutes

1 "on receipt" for the quoted language because the terms
2 are synonymous and the former is more commonly used.

3 Revised Law

4 Sec. 1067.157. AUTHORITY TO BORROW MONEY; SECURITY. (a)

5 The board may borrow money at a rate not to exceed the maximum
6 annual percentage rate allowed by law for district obligations at
7 the time the loan is made if the board declares that:

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

10 (2) an emergency exists.

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

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

14 (2) district taxes to be imposed by the district
15 during the 12-month period following the date of the pledge that are
16 not pledged to pay the principal of or interest on district bonds;
17 or

18 (3) district bonds that have been authorized but not
19 sold.

20 (c) A loan for which taxes or bonds are pledged must mature
21 not later than the first anniversary of the date the loan is made. A
22 loan for which district revenue is pledged must mature not later
23 than the fifth anniversary of the date the loan is made.

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

26 (1) the purpose for which the board declared an
27 emergency; and

28 (2) if district taxes or bonds are pledged to pay the
29 loan, the purpose for which the pledged taxes were imposed or the
30 pledged bonds were authorized. (Acts 59th Leg., R.S., Ch. 477, Sec.
31 20a.)

32 Source Law

33 Sec. 20a. (a) If the Board of Directors
34 declares that funds are not available to meet the
35 lawfully authorized obligations of the District and
36 that an emergency exists, the Board may borrow money at

1 a rate not to exceed the maximum annual percentage rate
2 allowed by law for District obligations at the time of
3 the loan.

4 (b) To secure a loan, the Board may pledge:

5 (1) the revenues of the District that are
6 not pledged to pay the bonded indebtedness of the
7 District;

8 (2) District taxes to be levied by the
9 District during the 12-month period following the date
10 of the pledge that are not pledged to pay the principal
11 of or interest on District bonds; or

12 (3) District bonds that have been
13 authorized but not sold.

14 (c) A loan for which taxes or bonds are pledged
15 shall mature not later than the first anniversary of
16 the date on which the loan is made. A loan for which
17 District revenues are pledged shall mature not later
18 than the fifth anniversary of the date on which the
19 loan is made.

20 (d) The Board may not spend money obtained from
21 a loan under this section for any purpose other than
22 the purpose for which the Board declared an emergency.
23 If taxes or bonds are pledged to pay the loan, the
24 Board may not spend the loan proceeds other than for
25 the purpose for which the taxes were levied or the
26 bonds were authorized.

27 Revisor's Note

28 Section 20a(a), Chapter 477, Acts of the 59th
29 Legislature, Regular Session, 1965, refers to
30 "lawfully authorized obligations." The revised law
31 omits "lawfully" because a "lawful" obligation is
32 included in the meaning of an "authorized" obligation.

33 [Sections 1067.158-1067.200 reserved for expansion]

34 SUBCHAPTER E. BONDS

35 Revised Law

36 Sec. 1067.201. GENERAL OBLIGATION BONDS. The board may
37 issue and sell general obligation bonds authorized by an election
38 in the name and on the faith and credit of the district to:

39 (1) purchase, construct, acquire, repair, or renovate
40 buildings or improvements;

41 (2) equip buildings or improvements for hospital
42 purposes; or

43 (3) acquire and operate a mobile emergency medical or
44 air ambulance service. (Acts 59th Leg., R.S., Ch. 477, Sec. 9(b).)

45 Source Law

46 (b) The Board may issue and sell general
47 obligation bonds authorized by an election in the name
48 and on the faith and credit of the District to:

49 (1) purchase, construct, acquire, repair,

1 or renovate buildings or improvements;
2 (2) equip buildings or improvements for
3 hospital purposes; or
4 (3) acquire and operate a mobile emergency
5 medical or air ambulance service.

6 Revised Law

7 Sec. 1067.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a)
8 For general obligation bonds issued under Section 1067.201, the
9 board shall impose an ad valorem tax at a rate sufficient to create
10 an interest and sinking fund and to pay the principal of and
11 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 the
14 limit approved by the voters at the election authorizing the
15 imposition of the tax. (Acts 59th Leg., R.S., Ch. 477, Sec. 9(a)
16 (part).)

17 Source Law

18 Sec. 9. (a) As to bonds payable from taxation,
19 a tax shall be levied by the Board sufficient to create
20 an interest and sinking fund and to pay the interest on
21 and principal of said bonds as same mature, providing
22 such tax together with any other taxes levied for said
23 District shall not exceed the limit approved by the
24 voters at the election authorizing the levy of
25 taxes. . . .

26 Revisor's Note

27 (1) Section 9(a), Chapter 477, Acts of the 59th
28 Legislature, Regular Session, 1965, refers to "bonds
29 payable from taxation." Because the type of bonds
30 described by Section 9(a) are known as "general
31 obligation bonds," the revised law is drafted
32 accordingly.

33 (2) Section 9(a), Chapter 477, Acts of the 59th
34 Legislature, Regular Session, 1965, requires the
35 district to levy a tax to pay the principal of and
36 interest on bonds. The revised law specifies that the
37 tax is an "ad valorem" tax because it is clear from the
38 source law that the tax is a property tax and "ad
39 valorem" is the term most commonly used to refer to a
40 property tax.

1 Revised Law

2 Sec. 1067.203. 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 voting at an
5 election held for that purpose.

6 (b) The board may order a bond election.

7 (c) The order calling the election must specify:

8 (1) the nature and date of the election;

9 (2) the hours during which the polls will be open;

10 (3) the location of the polling places;

11 (4) the amount of the bonds to be authorized; and

12 (5) the maximum maturity of the bonds.

13 (d) Notice of a bond election shall be given as provided by
14 Section 1251.003, Government Code.

15 (e) The board shall declare the results of the bond
16 election.

17 (f) Except as otherwise provided by this chapter, the
18 election is governed by the general laws relating to county
19 elections. (Acts 59th Leg., R.S., Ch. 477, Sec. 9(a) (part).)

20 Source Law

21 (a) . . . The District may issue general
22 obligation bonds only if the bonds are authorized by a
23 majority of the qualified voters of the District
24 voting at an election called and held for that purpose.
25 The Board may order a bond election. The order calling
26 the election shall state the nature and date of the
27 election, the hours during which the polls will be
28 open, the location of the polling places, the amounts
29 of the bonds to be authorized, and the maximum maturity
30 of the bonds. Notice of a bond election shall be given
31 as provided for by Article 704, Revised Statutes. The
32 Board shall canvass the returns and declare the
33 results of the election. Such election, except as
34 herein provided, shall be governed by the general laws
35 relating to County elections.

36 Revisor's Note

37 (1) Section 9(a), Chapter 477, Acts of the 59th
38 Legislature, Regular Session, 1965, refers to a
39 majority vote of the "qualified" voters of the
40 district. The revised law omits "qualified" as
41 unnecessary in this context because Chapter 11,

1 Election Code, governs eligibility to vote in an
2 election in this state and allows only "qualified"
3 voters who are residents of the territory covered by
4 the election to vote in an election.

5 (2) Section 9(a), Chapter 477, Acts of the 59th
6 Legislature, Regular Session, 1965, refers to an
7 election "called and held." The revised law omits the
8 reference to "calling" an election because, in this
9 context, "calling" an election is included in the
10 meaning of "holding" an election. Under Chapter 3,
11 Election Code, all elections must be ordered (called)
12 before they may be held.

13 (3) Section 9(a), Chapter 477, Acts of the 59th
14 Legislature, Regular Session, 1965, refers to Article
15 704, Revised Statutes, which specifies certain notice
16 requirements for a bond election. That provision was
17 codified in 1999 as Section 1251.003, Government Code.
18 The revised law is drafted accordingly.

19 (4) Section 9(a), Chapter 477, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that
21 "[t]he Board shall canvass the returns" of a bond
22 election. The revised law omits that requirement
23 because it duplicates Section 67.002, Election Code,
24 which requires the governing body of a political
25 subdivision that orders an election to canvass the
26 returns.

27 Revised Law

28 Sec. 1067.204. MATURITY OF GENERAL OBLIGATION BONDS.
29 District general obligation bonds must mature not later than 40
30 years after the date of issuance. (Acts 59th Leg., R.S., Ch. 477,
31 Sec. 9(d) (part).)

32 Source Law

33 (d) District bonds must mature not later than
34 the 40th anniversary of the date of issuance and
35

1 Revisor's Note

2 (1) Section 9(d), Chapter 477, Acts of the 59th
3 Legislature, Regular Session, 1965, refers to
4 "[d]istrict bonds." Sections 9(a) and (b) (revised as
5 Sections 1067.201, 1067.202, and 1067.203)
6 specifically refer to "bonds payable from taxation" or
7 "general obligation bonds." Although Section 9(d)
8 does not specifically refer to the type of bonds to
9 which the provision is intended to apply, it is clear
10 from the legislative history of Section 7 (relating to
11 revenue bonds) and Section 8 (relating to refunding
12 bonds) that Section 9, including Subsection (d),
13 applies only to general obligation bonds. The revised
14 law is drafted accordingly.

15 (2) Section 9(d), Chapter 477, Acts of the 59th
16 Legislature, Regular Session, 1965, provides that
17 district bonds must bear interest at a rate that does
18 not exceed that provided by Chapter 3, Acts of the 61st
19 Legislature, Regular Session, 1969 (Article 717k-2,
20 Vernon's Texas Civil Statutes). The revised law omits
21 the provision because the maximum interest rate noted
22 in Chapter 3 was revised in 1999 as Section 1204.006,
23 Government Code, and Section 1204.006 applies to
24 hospital districts by application of Section 1204.001,
25 Government Code. The omitted law reads:

26 (d) [District bonds] . . . must bear
27 a rate of interest that does not exceed the
28 amount provided by Chapter 3, Acts of the
29 61st Legislature, Regular Session, 1969
30 (Article 717k-2, Vernon's Texas Civil
31 Statutes).

32 Revised Law

33 Sec. 1067.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
34 The board president shall execute the general obligation bonds in
35 the district's name.

36 (b) The board secretary shall attest the bonds as provided
37 by Chapter 618, Government Code. (Acts 59th Leg., R.S., Ch. 477,

1 Sec. 9(c) (part).)

2 Source Law

3 (c) Bonds of the District shall be executed in
4 the name of the Hospital District and in its behalf by
5 the president of the Board and attested by the
6 secretary, as provided by Chapter 204, Acts of the 57th
7 Legislature, Regular Session, 1961 (Article 717j-1,
8 Vernon's Texas Civil Statutes), and

9 Revisor's Note

10 (1) Section 9(c), Chapter 477, Acts of the 59th
11 Legislature, Regular Session, 1965, refers to "[b]onds
12 of the District." The revised law substitutes
13 "general obligations bonds" for the quoted language
14 for the reason stated in Revisor's Note (1) to Section
15 1067.204.

16 (2) Section 9(c), Chapter 477, Acts of the 59th
17 Legislature, Regular Session, 1965, refers to Chapter
18 204, Acts of the 57th Legislature, Regular Session,
19 1961 (Article 717j-1, Vernon's Texas Civil Statutes).
20 That statute was codified in 1999 as Chapter 618,
21 Government Code, and the revised law is drafted
22 accordingly.

23 Revised Law

24 Sec. 1067.206. REVENUE BONDS. (a) The district may issue
25 revenue bonds to:

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

28 (2) equip buildings or improvements for hospitals and
29 the hospital system;

30 (3) acquire sites to be used for hospital purposes; or

31 (4) operate a mobile emergency medical service to
32 assist the district in carrying out its hospital purposes.

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

36 (c) The bonds may be additionally secured by a mortgage or
37 deed of trust on all or part of district property.

1 (d) The bonds must be issued in the manner provided by
2 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
3 Health and Safety Code, for issuance of revenue bonds by a county
4 hospital authority. (Acts 59th Leg., R.S., Ch. 477, Sec. 7.)

5 Source Law

6 Sec. 7. The District may issue revenue bonds for
7 the purpose of purchasing, constructing, repairing,
8 renovating, or acquiring buildings or improvements,
9 equipping the same for hospitals and the hospital
10 system, acquiring sites to be used for hospital
11 purposes, or for operating a mobile emergency medical
12 service to assist the District in carrying out its
13 hospital purposes. The bonds shall be payable from and
14 secured by a pledge of all or part of the revenues
15 derived from the operation of the District's hospital
16 system. The bonds may be additionally secured by a
17 mortgage or deed of trust on all or part of District
18 property. The revenue bonds shall be issued in the
19 manner provided by Sections 264.042, 264.043, 264.046,
20 264.047, 264.048, and 264.049, Health and Safety Code,
21 for the issuance of revenue bonds by county hospital
22 authorities.

23 Revised Law

24 Sec. 1067.207. REFUNDING BONDS. (a) The board may issue
25 refunding bonds to refund any bond issued by the district.

26 (b) A refunding bond may be:

27 (1) sold, with the proceeds of the refunding bond
28 applied to the payment of the outstanding bonds or other refundable
29 indebtedness; or

30 (2) exchanged wholly or partly for not less than a
31 similar principal amount of the outstanding bonds or other
32 refundable indebtedness. (Acts 59th Leg., R.S., Ch. 477, Sec. 8
33 (part).)

34 Source Law

35 Sec. 8. The bonds of the District may be issued
36 for the purpose of refunding and paying off any bond
37 issued by the District. . . . Such refunding bonds may
38 be sold and the proceeds thereof applied to the payment
39 of any outstanding bonds or other refundable
40 indebtedness, or may be exchanged in whole or in part
41 for not less than a like principal amount of such
42 outstanding bonds or refundable indebtedness;

43 Revisor's Note

44 (1) Section 8, Chapter 477, Acts of the 59th
45 Legislature, Regular Session, 1965, limits the
46 interest rate for refunding bonds issued by the

1 district. The revised law omits that provision as
2 impliedly repealed by Section 2(a), Chapter 3, Acts of
3 the 61st Legislature, Regular Session, 1969 (Article
4 717k-2, Vernon's Texas Civil Statutes), which was
5 revised in 1999 as Section 1204.006(a), Government
6 Code. Section 1204.006(a) permits a public agency,
7 including a hospital district, to issue bonds at a net
8 effective interest rate not to exceed 15 percent and
9 applies to district bonds by application of Section
10 1204.001, Government Code. The omitted law reads:

11 Sec. 8. . . . provided that if such
12 refunding bonds are to be exchanged for a
13 like amount of said outstanding bonds or
14 other refundable indebtedness, the interest
15 thereon computed in accordance with
16 recognized standard bond interest cost
17 tables, shall not exceed the average
18 interest cost per annum so computed upon the
19 bonds or other indebtedness to be refunded;
20 and

21 (2) Section 8, Chapter 477, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that
23 refunding bonds shall be issued "as provided by
24 Chapter 784, Acts of the 61st Legislature, Regular
25 Session, 1969 (Article 717k-3, Vernon's Texas Civil
26 Statutes)." In addition, the section provides that
27 refunding bonds sold to pay outstanding indebtedness
28 "shall be issued and payments made in the manner
29 specified by Chapter 503, Acts of the 54th
30 Legislature, 1955 (Article 717k, Vernon's Texas Civil
31 Statutes), as amended." Articles 717k and 717k-3 were
32 codified in 1999 as Chapter 1207, Government Code. The
33 revised law omits the provisions because Chapter 1207,
34 Government Code, applies to the district by its own
35 terms under Section 1207.001, Government Code. The
36 omitted law reads:

37 Sec. 8. . . . Refunding bonds shall
38 be issued as provided by Chapter 784, Acts
39 of the 61st Legislature, Regular Session,
40 1969 (Article 717k-3, Vernon's Texas Civil
41 Statutes). . . . provided further that, if

1 such refunding bonds are to be sold and the
2 proceeds thereof applied to the payment of
3 any such outstanding bonds or other
4 refundable indebtedness, same shall be
5 issued and payments made in the manner
6 specified by Chapter 503, Acts of the 54th
7 Legislature, 1955 (Article 717k, Vernon's
8 Texas Civil Statutes), as amended.

9 Revised Law

10 Sec. 1067.208. 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 of the bonds; or
15 (3) bond revenue, including any profits made in the
16 sale of the bonds. (Acts 59th Leg., R.S., Ch. 477, Sec. 11 (part).)

17 Source Law

18 Sec. 11. . . . any bonds issued by it and their
19 transfer and the revenues therefrom including any
20 profits made in the sale thereof shall at all times be
21 free from taxation by the State or any municipality or
22 political subdivision thereof.

23 Revisor's Note

24 Section 11, Chapter 477, Acts of the 59th
25 Legislature, Regular Session, 1965, refers to "any
26 municipality or political subdivision." The revised
27 law omits the reference to "municipality" because that
28 term is included in the meaning of "political
29 subdivision."

30 Revisor's Note
31 (End of Subchapter)

32 (1) Section 9(c), Chapter 477, Acts of the 59th
33 Legislature, Regular Session, 1965, provides that
34 district bonds are subject to the law governing
35 counties that relates to bond approval by the attorney
36 general and registration of the bonds by the
37 comptroller. Section 9(c) also provides that after
38 approval and registration the bonds are
39 "incontestable." The revised law omits these
40 provisions as superseded by Chapter 1202, Government
41 Code (enacted as Article 3, Chapter 53, Acts of the

1 70th Legislature, 2nd Called Session, 1987). Section
2 1202.003(a), Government Code, requires bonds to be
3 submitted to the attorney general. Section
4 1202.003(b), Government Code, provides for approval of
5 the bonds by the attorney general and requires the
6 attorney general to submit the approved bonds to the
7 comptroller for registration. Section 1202.005,
8 Government Code, requires registration of the bonds by
9 the comptroller. Section 1202.006, Government Code,
10 provides that after approval and registration, the
11 bonds are incontestable and binding obligations.
12 Chapter 1202, Government Code, applies to district
13 bonds by application of Section 1202.001, Government
14 Code. The omitted law reads:

15 (c) [Bonds of the District] . . .
16 shall be subject to the same requirements in
17 the matter of approval by the Attorney
18 General of Texas and registration by the
19 Comptroller of Public Accounts of the State
20 of Texas as are by law provided for approval
21 and registration of bonds issued by
22 counties. After approval of any such bonds
23 by the Attorney General and registration by
24 the Comptroller, said bonds shall be
25 incontestable.

26 (2) Section 14, Chapter 477, Acts of the 59th
27 Legislature, Regular Session, 1965, provides that
28 district bonds are authorized investments for certain
29 entities. The revised law omits that provision as
30 unnecessary. As to several of the entities listed,
31 Section 14 has been superseded and impliedly repealed.
32 Investments in securities by banks are regulated by
33 Section 34.101, Finance Code (enacted in 1995 as
34 Section 5.101, Texas Banking Act (Article 342-5.101,
35 Vernon's Texas Civil Statutes)). Investments in
36 securities by savings banks are regulated by Section
37 93.001(c)(10), Finance Code (enacted in 1993 as
38 Section 7.15(10), Texas Savings Bank Act (Article
39 489e, Vernon's Texas Civil Statutes)). Investments in

1 securities by trust companies are regulated by Section
2 184.101, Finance Code (enacted in 1997 as Section
3 5.101, Texas Trust Company Act (Article 342a-5.101,
4 Vernon's Texas Civil Statutes)). Investments in
5 securities by savings and loan associations are
6 regulated by Sections 63.002 and 64.001, Finance Code.
7 As to the remaining entities listed, Section 14 is
8 superseded by Section 1201.041, Government Code
9 (enacted as Section 9, Bond Procedures Act of 1981
10 (Article 717k-6, Vernon's Texas Civil Statutes)).
11 Section 1201.041, Government Code, applies to district
12 bonds by application of Section 1201.002, Government
13 Code. The revised law omits the reference to public
14 funds of this state because it has been superseded by
15 Section 404.024, Government Code (enacted in 1985 as
16 Section 2.014, Treasury Act (Article 4393-1, Vernon's
17 Texas Civil Statutes)), which governs the investment
18 of state funds. Section 404.024(b)(10), Government
19 Code, authorizes the investment of state funds in
20 obligations of political subdivisions, including
21 hospital districts. The omitted law reads:

22 Sec. 14. All bonds of the District
23 shall be and are hereby declared to be legal
24 and authorized investments of banks,
25 savings banks, trust companies, building
26 and loan associations, savings and loan
27 associations, insurance companies,
28 fiduciaries, trustees, and sinking funds of
29 cities, towns, villages, counties, school
30 districts or other political subdivisions
31 of the State of Texas, and for all public
32 funds of the State of Texas or its agencies,
33 including the State Permanent School
34 Fund. . . .

35 (3) Section 14, Chapter 477, Acts of the 59th
36 Legislature, Regular Session, 1965, effectively
37 provides that district bonds may secure deposits of
38 public funds of this state or political subdivisions
39 of this state. The revised law omits the provision as
40 impliedly repealed by Section 404.0221, Government

1 Code (enacted in 1995), which lists eligible
2 collateral for deposits of state funds by the
3 comptroller, and by Chapter 2257, Government Code
4 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
5 Statutes), which governs eligible collateral for
6 deposits of funds of other public agencies, including
7 political subdivisions. The omitted law reads:

8 Sec. 14. . . . Such bonds shall be
9 eligible to secure deposit of public funds
10 of the State of Texas and public funds of
11 cities, towns, villages, counties, school
12 districts or other political subdivisions
13 or corporations of the State of Texas; and
14 such bonds shall be lawful and sufficient
15 security for said deposits to the extent of
16 their value when accompanied by all
17 unmatured coupons appurtenant thereto.

18 [Sections 1067.209-1067.250 reserved for expansion]

19 SUBCHAPTER F. TAXES

20 Revised Law

21 Sec. 1067.251. IMPOSITION OF AD VALOREM TAX. (a) The board
22 may impose a tax on all property in the district subject to district
23 taxation.

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

- 25 (1) indebtedness issued or assumed by the district;
26 and
27 (2) the maintenance and operating expenses of the
28 district.

29 (c) The board may not impose a tax to pay the principal of or
30 interest on revenue bonds. (Acts 59th Leg., R.S., Ch. 477, Secs. 16
31 (part), 19(b) (part).)

32 Source Law

33 Sec. 16. The Board of Directors may annually
34 impose property taxes The taxes may be used to
35 pay for indebtedness issued or assumed by the District
36 and for the maintenance and operating expenses of the
37 District. The District may not impose taxes to pay the
38 principal of or interest on revenue bonds. . . .

39 [Sec. 19]

40 (b) . . . taxes on all property in the District
41 that is subject to hospital district taxation.

1 Revisor's Note

2 Section 19(b), Chapter 477, Acts of the 59th
3 Legislature, Regular Session, 1965, as amended by
4 Chapter 125, Acts of the 74th Legislature, Regular
5 Session, 1995, requires the board, before September 1
6 of each year, to publish notice of tax rates, give
7 notice and conduct a public hearing as required by
8 Chapter 26, Tax Code, and enter an order imposing
9 taxes. The revised law omits the reference to the
10 September 1 deadline as superseded by Section 26.05,
11 Tax Code, as amended by Chapter 423, Acts of the 76th
12 Legislature, Regular Session, 1999, which requires the
13 governing body of a taxing unit to adopt a tax rate
14 before the later of September 30 or the 30th day after
15 the date the taxing unit receives the certified
16 appraisal roll. The revised law omits the remainder of
17 Section 19(b), which requires the board to comply with
18 Chapter 26, Tax Code, because that chapter applies to
19 the board by its own terms under Section 1.02, Tax
20 Code. The omitted law reads:

21 (b) Before September 1 of each year,
22 the Board shall publish notice of tax rates,
23 give notice and conduct a public hearing as
24 required by Chapter 26, Tax Code, and enter
25 an order levying [taxes on all property in
26 the District that is subject to hospital
27 district taxation.]

28 Revised Law

29 Sec. 1067.252. TAX RATE. (a) The board may impose the tax
30 at a rate not to exceed the limit approved by the voters at the
31 election authorizing the imposition of the tax.

32 (b) The tax rate for all purposes may not exceed 75 cents on
33 each \$100 valuation of taxable property in the district. (Acts 59th
34 Leg., R.S., Ch. 477, Sec. 16 (part).)

35 Source Law

36 Sec. 16. [The Board of Directors may annually
37 impose property taxes] in an amount not to exceed the
38 limit approved by the voters at the election
39 authorizing the levy of taxes. The tax rate for all

1 purposes may not exceed 75 cents on each \$100 valuation
2 of all taxable property in the District. . . .

3 Revised Law

4 Sec. 1067.253. TAX ASSESSOR-COLLECTOR. The board may
5 provide for the appointment of a tax assessor-collector for the
6 district or may contract for the assessment and collection of taxes
7 as provided by the Tax Code. (Acts 59th Leg., R.S., Ch. 477, Sec. 16
8 (part).)

9 Source Law

10 Sec. 16. . . . The Board may provide for the
11 appointment of a tax assessor-collector for the
12 District or may contract for the assessment and
13 collection of taxes as provided by the Tax Code.

14 Revisor's Note
15 (End of Subchapter)

16 (1) Section 5(h), Chapter 477, Acts of the 59th
17 Legislature, Regular Session, 1965, authorizes the
18 board to institute a suit to enforce the payment of
19 taxes and to foreclose liens to secure that payment.
20 The revised law omits that provision because it
21 duplicates Chapter 33, Tax Code, which authorizes a
22 taxing unit of government to file suit to enforce the
23 payment of taxes and to foreclose a lien to secure that
24 payment. The omitted law reads:

25 (h) The Board may institute a suit to
26 enforce the payment of taxes and to
27 foreclose liens to secure the payment of
28 taxes due to the District.

29 (2) Section 16, Chapter 477, Acts of the 59th
30 Legislature, Regular Session, 1965, provides that the
31 Tax Code governs the appraisal, assessment, and
32 collection of district taxes. The revised law omits
33 that provision because Section 1.02, Tax Code,
34 requires all taxing units of government to administer
35 the assessment and collection of an ad valorem tax in
36 conformity with Title 1, Tax Code. The omitted law
37 reads:

38 Sec. 16. . . . The Tax Code governs
39 the appraisal, assessment, and collection
40 of District taxes. . . .

1 [Sections 1067.254-1067.300 reserved for expansion]

2 SUBCHAPTER G. DISSOLUTION

3 Revised Law

4 Sec. 1067.301. DISSOLUTION; ELECTION. (a) The district may
5 be dissolved only on approval of a majority of the district voters
6 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 residents of the district equal to at least 15 percent of the
13 registered 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.

20 (e) Section 41.001(a), Election Code, does not apply to an
21 election ordered under this section. (Acts 59th Leg., R.S., Ch.
22 477, Secs. 20b(a), (b), (c) (part).)

23 Source Law

24 Sec. 20b. (a) The District may be dissolved
25 only if the dissolution is approved by a majority of
26 the qualified voters of the District voting in an
27 election called and held for that purpose.

28 (b) The Board may order an election on the
29 question of dissolving the District and disposing of
30 the District's assets and obligations. The Board shall
31 order an election if the Board receives a petition
32 requesting an election that is signed by a number of
33 residents of the District equal to at least 15 percent
34 of the registered voters in the District.

35 (c) . . . Section 41.001(a), Election Code,
36 does not apply to an election ordered under this
37 section. The order calling the election shall state:

38 (1) the nature of the election, including
39 the proposition that is to appear on the ballot;

40 (2) the date of the election;

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

43 (4) the location of the polling places.

1 Revisor's Note

2 (1) Section 20b(a), Chapter 477, Acts of the
3 59th Legislature, Regular Session, 1965, provides for
4 dissolution of the district if approved by a majority
5 of the "qualified" voters. The revised law omits
6 "qualified" as unnecessary in this context because
7 Chapter 11, Election Code, governs eligibility to vote
8 in an election in this state and allows only
9 "qualified" voters who are residents of the territory
10 covered by the election to vote in an election.

11 (2) Section 20b(a), Chapter 477, Acts of the
12 59th Legislature, Regular Session, 1965, provides that
13 the district may be dissolved if authorized at an
14 election "called and held" for that purpose. The
15 revised law omits the reference to "calling" an
16 election for the reason stated in Revisor's Note (2) to
17 Section 1067.203.

18 (3) Section 20b(c), Chapter 477, Acts of the
19 59th Legislature, Regular Session, 1965, states that
20 the election must be held not later than the 60th day
21 after the date the election is ordered. The revised
22 law omits the provision as superseded by Section
23 3.005, Election Code, applicable to the district under
24 Section 1.002, Election Code. Section 3.005, as
25 amended by Chapter 925, Acts of the 78th Legislature,
26 Regular Session, 2003, requires an election order
27 issued by the authority of a political subdivision to
28 be issued not later than the 62nd day before election
29 day and provides that Section 3.005 supersedes a law
30 outside the Election Code to the extent of any
31 conflict. The omitted law reads:

32 (c) The election shall be held not
33 later than the 60th day after the date the
34 election is ordered. . . .

1 Revised Law

2 Sec. 1067.302. NOTICE OF ELECTION. (a) The board shall give
3 notice of an election under this subchapter by publishing once a
4 week for two consecutive weeks a substantial copy of the election
5 order in a newspaper with general circulation in the district.

6 (b) The first publication of the notice must appear not
7 later than the 35th day before the date set for the election. (Acts
8 59th Leg., R.S., Ch. 477, Sec. 20b(d) (part).)

9 Source Law

10 (d) The Board shall give notice of the election
11 by publishing a substantial copy of the election order
12 in a newspaper with general circulation in the
13 District once a week for two consecutive weeks. The
14 first publication must appear not less than 35 days
15 before the date set for the election. . . .

16 Revised Law

17 Sec. 1067.303. BALLOT. The ballot for an election under
18 this subchapter must be printed to permit voting for or against the
19 proposition: "The dissolution of the Muenster Hospital District."
20 (Acts 59th Leg., R.S., Ch. 477, Sec. 20b(d) (part).)

21 Source Law

22 (d) . . . The ballot for the election shall be
23 printed to permit voting for or against the
24 proposition: "The dissolution of the Muenster Hospital
25 District."

26 Revised Law

27 Sec. 1067.304. ELECTION RESULTS. (a) If a majority of the
28 votes in an election under this subchapter favor dissolution, the
29 board shall find that the district is dissolved.

30 (b) If a majority of the votes in the election do not favor
31 dissolution, the board shall continue to administer the district
32 and another election on the question of dissolution may not be held
33 before the first anniversary of the date of the most recent election
34 to dissolve the district. (Acts 59th Leg., R.S., Ch. 477, Sec.
35 20b(e).)

36 Source Law

37 (e) If a majority of the votes in the election
38 favor dissolution, the Board shall find that the
39 District is dissolved. If a majority of the votes in
40 the election do not favor dissolution, the Board shall

1 continue to administer the District, and another
2 election on the question of dissolution under this
3 section may not be held before the first anniversary of
4 the most recent election held under this section to
5 dissolve the District.

6 Revised Law

7 Sec. 1067.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)

8 If a majority of the votes in an election under this subchapter
9 favor dissolution, the board shall:

10 (1) transfer the land, buildings, improvements,
11 equipment, and other assets that belong to the district to Cooke
12 County or another governmental entity in Cooke County; or

13 (2) administer the property, assets, and debts until
14 all money has been disposed of and all district debts have been paid
15 or settled.

16 (b) If the board makes the transfer under Subsection (a)(1),
17 the county or entity assumes all debts and obligations of the
18 district at the time of the transfer, and the district is dissolved.
19 (Acts 59th Leg., R.S., Ch. 477, Secs. 20b(f), (g).)

20 Source Law

21 (f) If a majority of the votes in the election
22 favor dissolution, the Board shall:

23 (1) transfer the land, buildings,
24 improvements, equipment, and other assets that belong
25 to the District to a county or another governmental
26 entity in the county in which the District is located;
27 or

28 (2) administer the property, assets, and
29 debts until all funds have been disposed of and all
30 District debts have been paid or settled.

31 (g) If the District transfers the land,
32 buildings, improvements, equipment, and other assets
33 to a county or other governmental entity, the county or
34 entity assumes all debts and obligations of the
35 District at the time of the transfer, and the District
36 is dissolved.

37 Revisor's Note

38 Section 20b(f), Chapter 477, Acts of the 59th
39 Legislature, Regular Session, 1965, refers to a
40 "county in which the District is located." Because the
41 district is wholly located in Cooke County, the
42 revised law substitutes "Cooke County" for the quoted
43 language.

1 Revised Law

2 Sec. 1067.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

3 (a) Notwithstanding any other provision of this chapter, the
4 district may not be dissolved unless the board provides for the sale
5 or transfer of the district's assets and liabilities to another
6 person.

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

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

18 (d) The district may not transfer or dispose of the
19 district's assets except for due compensation unless:

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

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

24 (e) A grant from federal funds is an obligation to be repaid
25 in satisfaction. (Acts 59th Leg., R.S., Ch. 477, Secs. 20b(m),
26 (n).)

27 Source Law

28 (m) Notwithstanding any other provision of this
29 Act, the District may not be dissolved unless the Board
30 provides for the sale or transfer of the District's
31 assets and liabilities to another person or entity.
32 The dissolution of the District and the sale or
33 transfer of the District's assets or liabilities may
34 not contravene a trust indenture or bond resolution
35 relating to the outstanding bonds of the District. The
36 dissolution and sale or transfer does not diminish or
37 impair the rights of a holder of an outstanding bond,
38 warrant, or other obligation of the District.

39 (n) The sale or transfer of the District's
40 assets and liabilities must satisfy the debt and bond
41 obligations of the District in a manner that protects

1 the interests of the residents of the District,
2 including the residents' collective property rights in
3 the District's assets. A grant from federal funds is an
4 obligation to be repaid in satisfaction. The District
5 may not transfer or dispose of the District's assets
6 except for due compensation unless the transfer is
7 made to another governmental entity that serves the
8 District and the transferred assets are to be used for
9 the benefit of the residents of the District.

10 Revisor's Note

11 Section 20b(m), Chapter 477, Acts of the 59th
12 Legislature, Regular Session, 1965, refers to "another
13 person or entity." The revised law omits "entity"
14 because "entity" is included in the meaning of
15 "person" under Section 311.005(2), Government Code
16 (Code Construction Act).

17 Revised Law

18 Sec. 1067.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
19 TAXES. (a) After the board finds that the district is dissolved,
20 the board shall:

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

22 (2) impose on the property included in the district's
23 tax rolls a tax that is in proportion of the debt to the property
24 value.

25 (b) On the payment of all outstanding debts and obligations
26 of the district, the board shall order the secretary to return to
27 each district taxpayer the taxpayer's pro rata share of all unused
28 tax money.

29 (c) A taxpayer may request that the taxpayer's share of
30 surplus tax money be credited to the taxpayer's county taxes. If a
31 taxpayer requests the credit, the board shall direct the secretary
32 to transmit the money to the county tax assessor-collector. (Acts
33 59th Leg., R.S., Ch. 477, Secs. 20b(h), (i), (j).)

34 Source Law

35 (h) After the Board finds that the District is
36 dissolved, the Board shall:

37 (1) determine the debt owed by the
38 District; and

39 (2) impose on the property included in the
40 District's tax rolls a tax that is in proportion of the
41 debt to the property value.

42 (i) When all outstanding debts and obligations
43 of the District are paid, the Board shall order the

1 secretary to return the pro rata share of all unused
2 tax money to each District taxpayer.

3 (j) A taxpayer may request that the taxpayer's
4 share of surplus tax money be credited to the
5 taxpayer's county taxes. If a taxpayer requests the
6 credit, the Board shall direct the secretary to
7 transmit the funds to the county tax
8 assessor-collector.

9 Revised Law

10 Sec. 1067.308. REPORT; DISSOLUTION ORDER. (a) After the
11 district has paid all district debts and has disposed of all
12 district money and other assets as prescribed by this subchapter,
13 the board shall file a written report with the Commissioners Court
14 of Cooke County summarizing the board's actions in dissolving the
15 district.

16 (b) Not later than the 10th day after the date the
17 Commissioners Court of Cooke County receives the report and
18 determines that the requirements of this subchapter have been
19 fulfilled, the commissioners court shall enter an order dissolving
20 the district and releasing the board from any further duty or
21 obligation. (Acts 59th Leg., R.S., Ch. 477, Secs. 20b(k), (l).)

22 Source Law

23 (k) After the District has paid all its debts
24 and has disposed of all its assets and funds as
25 prescribed by this section, the Board shall file a
26 written report with the Commissioners Court of Cooke
27 County setting forth a summary of the Board's actions
28 in dissolving the District.

29 (l) Not later than the 10th day after the date it
30 receives the report and determines that the
31 requirements of this section have been fulfilled, the
32 Commissioners Court of Cooke County shall enter an
33 order dissolving the District and releasing the Board
34 of Directors of the District from any further duty or
35 obligation.

36 Revisor's Note
37 (End of Chapter)

38 (1) Article 2, Chapter 428, Acts of the 77th
39 Legislature, Regular Session, 2001, amends Chapter
40 477, Acts of the 59th Legislature, Regular Session,
41 1965, by adding Sections 1A and 20c, which provide
42 authority to call an election on the dissolution of the
43 Muenster Hospital District contingent on the creation
44 of the Cooke County Hospital District. Section
45 3.02(b), Chapter 428, Acts of the 77th Legislature,

1 Regular Session, 2001, provides that the "election in
2 . . . the Muenster Hospital District . . . must be held
3 before the fifth anniversary of the effective date of
4 this Act." The effective date of Chapter 428 was May
5 28, 2001. Because the election on the question of
6 creating the Cooke County Hospital District was not
7 held before May 28, 2006 (the fifth anniversary of the
8 effective date of Chapter 428), the authority to call
9 an election on the dissolution of the Muenster
10 Hospital District under Section 20c has expired.
11 Therefore, the revised law omits Sections 1A and 20c.
12 The omitted law reads:

13 Sec. 1A. On the dissolution of the
14 Muenster Hospital District and the approval
15 of the creation of the Cooke County Hospital
16 District, a reference in this Act or in any
17 other law to the Muenster Hospital District
18 means the Cooke County Hospital District.

19 Sec. 20c. (a) Notwithstanding any
20 other provision of this Act, the Muenster
21 Hospital District may be dissolved as
22 provided by this section.

23 (b) The Board of Directors may order
24 an election on the question of the
25 dissolution of the Muenster Hospital
26 District, creation of the Cooke County
27 Hospital District, transfer of the Muenster
28 Hospital District's assets and obligations
29 to the Cooke County Hospital District, and
30 assumption by the Cooke County Hospital
31 District of the Muenster Hospital
32 District's outstanding debts.

33 (c) The Board shall order an election
34 if:

35 (1) the Board has reasonable
36 grounds to conclude that the Board of
37 Directors of the Gainesville Hospital
38 District will order an election under
39 Section 18A, Chapter 211, Acts of the 64th
40 Legislature, Regular Session, 1975; or

41 (2) the Board receives a
42 petition requesting an election on the
43 question of the dissolution of the Muenster
44 Hospital District, creation of the Cooke
45 County Hospital District, and transfer of
46 assets that is signed by at least 15 percent
47 of the registered voters in the Muenster
48 Hospital District.

49 (d) If the Board of Directors orders
50 an election under this section, it shall
51 promptly notify the Board of Directors of
52 the Gainesville Hospital District of the
53 election order.

54 (e) The election shall be held not
55 less than 45 or more than 60 days after the

1 date on which an election is ordered and
2 shall be held on the same date that the
3 separate election in the Gainesville
4 Hospital District is held. The Board of
5 Directors shall cooperate with the Board of
6 Directors of the Gainesville Hospital
7 District in setting the date of the
8 elections. Section 41.001(a), Election
9 Code, does not apply to an election ordered
10 under this section.

11 (f) The ballot for the election shall
12 be printed to permit voting for or against
13 the proposition: "The dissolution of the
14 Muenster Hospital District and creation of
15 the Cooke County Hospital District,
16 providing for the levy of a tax not to
17 exceed 75 cents on each \$100 valuation on
18 all taxable property in the Cooke County
19 Hospital District, and providing for the
20 transfer to and assumption by the Cooke
21 County Hospital District of all outstanding
22 bonds and indebtedness issued or refunded
23 for hospital purposes by the Muenster
24 Hospital District and the transfer of the
25 existing Muenster Hospital District's
26 assets to the Cooke County Hospital
27 District."

28 (g) Except as provided by Subsections
29 (e) and (f) of this section, the election
30 shall be held in accordance with the
31 applicable provisions of the Election Code.

32 (h) The Muenster Hospital District is
33 dissolved if:

34 (1) a majority of the voters in
35 the Muenster Hospital District voting in
36 the election held under this section favor
37 the proposition; and

38 (2) a majority of the voters in
39 the Gainesville Hospital District voting in
40 an election held on the same date under
41 Section 18A, Chapter 211, Acts of the 64th
42 Legislature, Regular Session, 1975, favor
43 the dissolution of the Gainesville Hospital
44 District, the creation of the Cooke County
45 Hospital District, the transfer of the
46 assets of the Gainesville Hospital District
47 to Cooke County Hospital District, and the
48 assumption of the assets and obligations of
49 the Gainesville Hospital District by the
50 Cooke County Hospital District.

51 (i) The Muenster Hospital District is
52 not dissolved and the Board of Directors
53 shall continue to administer the Muenster
54 Hospital District if a majority of the
55 voters in either district do not favor the
56 proposition on which they voted.

57 (j) If the Muenster Hospital District
58 is dissolved under this section, the Board
59 of Directors shall orderly transfer the
60 assets and obligations of the Muenster
61 Hospital District to the Cooke County
62 Hospital District not later than the 180th
63 day after the date of the election.

64 (k) The Board of Directors may not
65 hold an election on the question of
66 dissolution under this section and the
67 creation of the Cooke County Hospital
68 District before the first anniversary of
69 the most recent election held under this

1 section concerning the dissolution and the
2 creation of the Cooke County Hospital
3 District.

4 (2) Section 22, Chapter 477, Acts of the 59th
5 Legislature, Regular Session, 1965, provides that the
6 act is severable. The revised law omits that provision
7 because it duplicates Section 311.032, Government Code
8 (Code Construction Act), which provides that a
9 provision of a statute is severable from each other
10 provision of the statute that can be given effect. The
11 omitted law reads:

12 Sec. 22. If any of the provisions of
13 this Act or the application thereof to any
14 person or circumstances is held invalid,
15 such invalidity shall not affect other
16 provisions or applications of the Act which
17 can be given effect without the invalid
18 provision or application, and to this end
19 the provisions of this Act are declared to
20 be severable.

21 (3) Section 23, Chapter 477, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that
23 public notice of enactment of the statute was provided
24 in a manner that satisfies the requirements of the
25 Texas Constitution. The revised law omits that
26 section as executed. The omitted law reads:

27 Sec. 23. Proof of publication of the
28 notice required in the enactment hereof
29 under the provisions of Section 9, Article
30 IX, Constitution of the State of Texas, has
31 been made in the manner and form provided by
32 law pertaining to the enactment of local and
33 special laws and such notice is hereby found
34 and declared proper and sufficient to
35 satisfy such requirement.

36 CHAPTER 1072. MAVERICK COUNTY HOSPITAL DISTRICT

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2 CHAPTER 1072. MAVERICK COUNTY HOSPITAL DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 1072.001. 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 Maverick County Hospital
10 District. (New.)

11 Revisor's Note

12 The definitions of "board," "director," and
13 "district" are added to the revised law for drafting
14 convenience and to eliminate frequent, unnecessary
15 repetition of the substance of the definitions.

16 Revised Law

17 Sec. 1072.002. AUTHORITY FOR CREATION. The Maverick County
18 Hospital District is created under the authority of Section 9,
19 Article IX, Texas Constitution. (Acts 59th Leg., R.S., Ch. 172,
20 Sec. 1.)

21 Source Law

22 Sec. 1. By authority of Section 9, Article IX,
23 Constitution of the State of Texas, this Act
24 authorizes the creation of the Hospital District of
25 Maverick County, Texas.

26 Revisor's Note

27 Section 1, Chapter 172, Acts of the 59th
28 Legislature, Regular Session, 1965, refers to the
29 "Hospital District of Maverick County, Texas." The
30 revised law substitutes "Maverick County Hospital
31 District" or "district" for the quoted language in
32 this section and throughout this chapter because under
33 Section 1, Chapter 385, Acts of the 76th Legislature,
34 Regular Session, 1999, the name of the Hospital
35 District of Maverick County was changed to the
36 Maverick County Hospital District. In addition, the

1 revised law omits Section 1, Chapter 385, Acts of the
2 76th Legislature, Regular Session, 1999, as executed.

3 The omitted law reads:

4 Sec. 1. (a) The name of the Hospital
5 District of Maverick County is changed to
6 the Maverick County Hospital District.

7 (b) A reference in Chapter 172, Acts
8 of the 59th Legislature, Regular Session,
9 1965, or in other law to the Hospital
10 District of Maverick County means the
11 Maverick County Hospital District.

12 Revised Law

13 Sec. 1072.003. ESSENTIAL PUBLIC FUNCTION. The district is
14 a public entity performing an essential public function. (Acts
15 59th Leg., R.S., Ch. 172, Sec. 10(j) (part).)

16 Source Law

17 (j) Since the District created under this Act is
18 a public entity performing an essential public
19 function,

20 Revised Law

21 Sec. 1072.004. DISTRICT TERRITORY. The boundaries of the
22 district are coextensive with the boundaries of Maverick County.
23 (Acts 59th Leg., R.S., Ch. 172, Sec. 2.)

24 Source Law

25 Sec. 2. The boundaries of this District are
26 coterminous with the boundaries of Maverick County.

27 Revised Law

28 Sec. 1072.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
29 OBLIGATION. The support and maintenance of the district's hospital
30 system and any indebtedness incurred by the district under this
31 chapter may not become a charge against or obligation of this state.
32 (Acts 59th Leg., R.S., Ch. 172, Sec. 17 (part).)

33 Source Law

34 Sec. 17. The support and maintenance of the
35 hospital system of the District and any indebtedness
36 incurred by the District under this Act shall never
37 become a charge against nor an obligation of the State
38 of Texas,

39 Revised Law

40 Sec. 1072.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
41 The legislature may not make a direct appropriation for the

1 construction, maintenance, or improvement of a district facility.
2 (Acts 59th Leg., R.S., Ch. 172, Sec. 17 (part).)

3 Source Law

4 Sec. 17. . . . nor shall any direct
5 appropriation be made by the Legislature of the State
6 of Texas for the construction, maintenance or
7 improvement of any of the facilities of the District.

8 Revisor's Note
9 (End of Subchapter)

10 Sections 4(a), (b), (e), (f), and (g) and Section
11 7, Chapter 172, Acts of the 59th Legislature, Regular
12 Session, 1965, provide procedures for holding an
13 election on the creation of the district and the
14 imposition of an ad valorem tax. Because the creation
15 of the district and the imposition of the tax were
16 approved at the election, the revised law omits the
17 relevant law as executed. The omitted law reads:

18 Sec. 4. (a) The District authorized
19 to be created by this Act is created upon
20 approval of a majority of the qualified
21 electors who own taxable property within
22 the District and who have duly rendered that
23 property for taxation and who vote at an
24 election called for this purpose.

25 (b) Upon receiving the petition of
26 100 people who are qualified to vote in this
27 election, or by its own order, recorded in
28 the minutes, the commissioners court of the
29 county in which this District is located
30 shall order an election for the purpose of
31 creating this District, not less than 20
32 days nor more than 30 days after the date of
33 the order.

34 (e) . . . If a majority of the
35 persons voting in the election vote for the
36 creation of the District, the commissioners
37 court shall, within 10 days after the
38 results are filed, declare the results and
39 order the District created. A copy of this
40 order shall be placed in the minutes of the
41 court.

42 (f) If a majority of the persons
43 voting at the election vote against the
44 creation of the District, this does not
45 prevent the holding of other elections for
46 the same purpose.

47 (g) The ballot for this election must
48 be substantially as follows:

49 "FOR the creation of the Hospital
50 District of Maverick County, Texas.

51 "AGAINST the creation of the Hospital
52 District of Maverick County, Texas."

53 Sec. 7. (a) At the time of the

1 election to create the District and to elect
2 directors, the commissioners court may
3 order an election to determine whether the
4 District may levy taxes within the
5 District. This tax may not exceed 50 cents
6 on the \$100 valuation of all taxable
7 property within the District. If the
8 commissioners court does not include this
9 election in the order for the election to
10 create the District, the Board of Directors
11 may order this election at any time.

12 (b) Prior to this election, notice
13 must be given by the appropriate
14 governmental unit, either the commissioners
15 court or the Board of Directors in the same
16 manner provided in Section 4 of this Act.
17 The presiding judge of each voting place
18 shall certify the results to the
19 appropriate governmental unit which shall
20 declare the results. The results are to be
21 of public record.

22 (c) The ballot for this election must
23 contain substantially the following:

24 "FOR the levy of a tax not to exceed 50
25 cents on the \$100 valuation on all property
26 subject to taxation within the District.

27 "AGAINST the levy of a tax not to
28 exceed 50 cents on the \$100 valuation on all
29 property subject to taxation within the
30 District."

31 (d) The Board of Directors shall not
32 levy any tax within the District until a
33 majority of the qualified electors who own
34 taxable property within the District and
35 who have duly rendered that property for
36 taxation voting in an election for this
37 purpose vote for the levy of this tax.

38 [Sections 1072.007-1072.050 reserved for expansion]

39 SUBCHAPTER B. DISTRICT ADMINISTRATION

40 Revised Law

41 Sec. 1072.051. BOARD ELECTION; TERMS. (a) The board
42 consists of five directors elected by district voters.

43 (b) Directors serve staggered four-year terms.

44 (c) An election shall be held on the first Tuesday after the
45 first Monday in November of each year to elect the appropriate
46 number of directors. (Acts 59th Leg., R.S., Ch. 172, Secs. 5(a)
47 (part), (d), (e) (part).)

48 Source Law

49 (a) . . . a Board of Directors which consists of
50 five (5) members, to be elected by the qualified
51 electors of the District.

52 (d) Each year on the first Tuesday after the
53 first Monday in November an election must be held for
54 the purpose of electing the appropriate number of
55 successor directors.

56 (e) An elected director shall serve for a four

1 year term. . . .

2 Revisor's Note

3 (1) Section 5(a), Chapter 172, Acts of the 59th
4 Legislature, Regular Session, 1965, refers to
5 "qualified electors." The revised law omits
6 "qualified" as unnecessary in this context because
7 Chapter 11, Election Code, governs eligibility to vote
8 in an election in this state and allows only
9 "qualified" voters who are residents of the territory
10 covered by the election to vote in an election. The
11 revised law substitutes "voter" for "elector" because
12 the former is the term used in the Election Code.

13 (2) Section 10, Chapter 385, Acts of the 76th
14 Legislature, Regular Session, 1999, provides that
15 changes in the qualifications for directors apply only
16 to directors appointed or elected after 1999. Section
17 11, Chapter 385, Acts of the 76th Legislature, Regular
18 Session, 1999, provides for staggering terms of
19 directors elected in 2000 and 2001 to change from
20 two-year terms to four-year terms. The revised law
21 revises the establishment of staggered terms but omits
22 these provisions as executed. The omitted law reads:

23 Sec. 10. The changes in law made by
24 this Act to the qualifications of and the
25 prohibitions applying to members of the
26 Board of Directors of the Maverick County
27 Hospital District do not affect the
28 entitlement of a member serving on the Board
29 immediately before the effective date of
30 this Act to continue to carry out the
31 functions of the Board for the remainder of
32 the member's term. The changes in law apply
33 only to a member appointed or elected on or
34 after the effective date of this Act. This
35 Act does not prohibit a person who is a
36 member of the Board on the effective date of
37 this Act from being reappointed or
38 reelected to the Board if the person has the
39 qualifications required for membership
40 under Section 5, Chapter 172, Acts of the
41 59th Legislature, Regular Session, 1965, as
42 amended by this Act.

43 Sec. 11. The change in law made by
44 this Act to the term of a director on the
45 Board of Directors of the Maverick County
46 Hospital District does not apply to the term
47 of a director elected in an election held in

1 2000 or 2001 for the election of directors.
2 A director elected in an election held in
3 2000 shall serve a two-year term, and a
4 director elected in an election held in 2001
5 shall serve a three-year term. Successor
6 directors shall serve four-year terms.

7 Revised Law

8 Sec. 1072.052. QUALIFICATIONS FOR OFFICE. (a) To qualify
9 for election to the board, a person must be:

10 (1) a district resident; and

11 (2) a qualified voter.

12 (b) A person may not serve on the board if the person is:

13 (1) a party to a contract with the district to perform
14 services for the district for compensation; or

15 (2) a district employee.

16 (c) A director is eligible for reelection to the board.
17 (Acts 59th Leg., R.S., Ch. 172, Secs. 5(b), (c), (e) (part).)

18 Source Law

19 (b) To qualify for election to the Board, a
20 person must be:

21 (1) a resident of the District; and

22 (2) a qualified voter.

23 (c) A person may not serve on the Board if the
24 person is:

25 (1) a party to a contract with the District
26 to perform services for the District for compensation;
27 or

28 (2) an employee of the District.

29 (e) . . . and in every case a director shall be
30 eligible for re-election.

31 Revised Law

32 Sec. 1072.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
33 OF OFFICE. (a) Each director shall qualify for office by executing
34 a good and sufficient commercial bond for \$1,000 that is:

35 (1) payable to the district; and

36 (2) conditioned on the faithful performance of the
37 director's duties.

38 (b) The district shall pay for a director's bond.

39 (c) Each director's bond and constitutional oath or
40 affirmation of office shall be deposited with the district's
41 depository for safekeeping. (Acts 59th Leg., R.S., Ch. 172, Sec.
42 6(a).)

1 172, Sec. 6(b).)

2 Source Law

3 (b) The directors shall, at the first meeting
4 after the election, elect a president, a secretary,
5 and a treasurer from their number.

6 Revised Law

7 Sec. 1072.056. COMPENSATION; EXPENSES. A director is not
8 entitled to compensation but is entitled to reimbursement for
9 necessary expenses incurred in the performance of official duties.
10 (Acts 59th Leg., R.S., Ch. 172, Sec. 6(c).)

11 Source Law

12 (c) A member of the Board of Directors is not
13 entitled to compensation for his services. However,
14 each member is entitled to reimbursement for any
15 necessary expense incurred by him in the performance
16 of the duties of his office.

17 Revised Law

18 Sec. 1072.057. VOTING REQUIREMENT. A concurrence of a
19 majority of the directors voting is sufficient in any matter
20 relating to the business of the district. (Acts 59th Leg., R.S., Ch.
21 172, Sec. 5(g) (part).)

22 Source Law

23 (g) . . . a concurrence of a majority of the
24 directors voting is sufficient in any matter relating
25 to the business of the District.

26 Revisor's Note

27 Section 5(g), Chapter 172, Acts of the 59th
28 Legislature, Regular Session, 1965, provides that a
29 majority of the board constitutes a quorum for the
30 transaction of business. The revised law omits that
31 provision because it duplicates Section 311.013,
32 Government Code (Code Construction Act), which
33 provides that a quorum of a public body is a majority
34 of the number of members fixed by statute. The revised
35 law also omits "for the transaction of business"
36 because "quorum" means the number of persons or votes
37 necessary for a body to act. The omitted law reads:

38 (g) A majority of the membership of
39 the Board of Directors constitutes a quorum

1 for the transaction of business, and
2

3 Revised Law

4 Sec. 1072.058. DISTRICT ADMINISTRATOR. (a) The board may
5 authorize the appointment, engagement, or employment of a district
6 administrator to manage the operations of the district.

7 (b) The district administrator serves at the will of the
8 board and is subject to rules adopted by the board.

9 (c) The board may require that a person, before assuming the
10 duties of district administrator, execute a bond in an amount
11 determined by the board of not less than \$10,000 that is:

12 (1) payable to the district; and

13 (2) conditioned on the faithful performance of the
14 person's duties as district administrator under this chapter.

15 (d) The board may pay for the bond with district money.
16 (Acts 59th Leg., R.S., Ch. 172, Secs. 11(e) (part), (f), (g).)

17 Source Law

18 (e) The Board may:

19
20 (2) authorize the appointment,
21 engagement, or employment of:

22
23 (B) an administrator to manage the
24 operations of the District.

25 (f) A person who is appointed, engaged, or
26 employed under Subsection (e)(2) serves at the will of
27 the Board and is subject to the rules adopted by the
28 Board.

29 (g) The Board may require that, before assuming
30 the duties as administrator, a person shall execute a
31 bond payable to the District of not less than \$10,000,
32 as determined by the Board, conditioned on the
33 faithful performance of the person's duties as
34 administrator under this Act. The Board may pay for
35 the bond with District funds.

36 Revised Law

37 Sec. 1072.059. EMPLOYMENT OF MEDICAL STAFF AND OTHER HEALTH
38 CARE PROVIDERS. (a) The board may employ physicians, dentists, or
39 other health care providers as the board considers necessary for
40 the efficient operation of the district.

41 (b) This section does not authorize the board to supervise
42 or control the practice of medicine or permit the unauthorized
43 practice of medicine, as prohibited by Subtitle B, Title 3,
44 Occupations Code. (Acts 59th Leg., R.S., Ch. 172, Sec. 11(k-1).)

1 through:
2 (1) scholarship programs;
3 (2) agreements for future services;
4 (3) shared personnel;
5 (4) bonuses; and
6 (5) any other method the Board determines
7 is necessary.

8 Revised Law

9 Sec. 1072.062. OTHER DISTRICT EMPLOYEES. (a) The board may
10 authorize the employment of persons necessary for the efficient
11 operation of the district.

12 (b) An employee serves at the will of the board and is
13 subject to rules adopted by the board. (Acts 59th Leg., R.S., Ch.
14 172, Secs. 11(e) (part), (f).)

15 Source Law

16 (e) The Board may:
17 . . .
18 (2) authorize the [appointment,
19 engagement, or] employment of:
20 (A) employees necessary for the
21 efficient operation of the District; and
22 . . .

23 (f) A person who is [appointed, engaged, or]
24 employed under Subsection (e)(2) serves at the will of
25 the Board and is subject to the rules adopted by the
26 Board.

27 Revisor's Note

28 Section 11(e)(2), Chapter 172, Acts of the 59th
29 Legislature, Regular Session, 1965, refers to the
30 "appointment, engagement, or employment" of employees
31 and a district administrator. Section 11(f), Chapter
32 172, Acts of the 59th Legislature, Regular Session,
33 1965, refers to a person who is "appointed, engaged, or
34 employed under Subsection (e)(2)." Those provisions
35 are revised in this section and Section 1072.058(a),
36 which applies to the district administrator. The
37 revised law omits the references to "appointment,"
38 "engagement," "appointed," and "engaged" because, in
39 context, those references apply only to the district
40 administrator and not to other district employees.

41 Revised Law

42 Sec. 1072.063. RETIREMENT BENEFITS. The board may provide
43 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 59th Leg., R.S., Ch.
8 172, Sec. 11(m).)

9 Source Law

10 (m) The Board may provide retirement benefits
11 for employees of the District by:

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

14 (2) electing to participate in the Texas
15 County and District Retirement System or in any other
16 statewide retirement system in which the District is
17 eligible to participate.

18 Revised Law

19 Sec. 1072.064. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

20 The board shall:

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

24 (2) make those records available for public inspection
25 at reasonable times. (Acts 59th Leg., R.S., Ch. 172, Sec. 11(b).)

26 Source Law

27 (b) The Board shall keep all books, records,
28 accounts, notices, minutes, and other matters of the
29 District and its operation at the office of the
30 District. The Board shall make these items available
31 for public inspection at reasonable times.

32 Revisor's Note
33 (End of Subchapter)

34 Section 5(e), Chapter 172, Acts of the 59th
35 Legislature, Regular Session, 1965, provides that a
36 director serves until a successor is elected and
37 qualified. The revised law omits this provision
38 because it duplicates Section 17, Article XVI, Texas
39 Constitution. That section provides that an officer
40 in this state is to continue to perform the officer's

1 official duties until a successor has qualified. The
2 omitted law reads:

3 (e) . . . In every case, a director
4 shall serve until a successor has been
5 elected and qualified for the
6 office,

7 [Sections 1072.065-1072.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Revised Law

10 Sec. 1072.101. DISTRICT RESPONSIBILITY. (a) The district
11 has the responsibility of undertaking any measure, consistent with
12 Section 9, Article IX, Texas Constitution, and this chapter, that
13 the board determines is necessary to provide hospital and medical
14 care to the district's needy residents.

15 (b) The district shall undertake any measure, consistent
16 with Section 9, Article IX, Texas Constitution, and this chapter,
17 that the board determines is necessary to provide hospital and
18 medical care for the district's needy inhabitants. (Acts 59th Leg.,
19 R.S., Ch. 172, Sec. 3 (part), as amended Acts 79th Leg., R.S., Chs.
20 1237, 1351.)

21 Source Law

22 Sec. 3. [as amended Acts 79th Leg., R.S., Ch.
23 1237] The District authorized to be created by this
24 Act is charged with the responsibility of undertaking
25 any measure, consistent with Section 9, Article IX,
26 Texas Constitution, and this Act, that the Board of
27 Directors determines is necessary to provide hospital
28 and medical care to the needy residents of the
29 District. . . . This District shall undertake any
30 measure, consistent with Section 9, Article IX, Texas
31 Constitution, and this Act, that the Board of
32 Directors determines is necessary to provide hospital
33 and medical care for the needy inhabitants of the
34 District.

35 Sec. 3. [as amended Acts 79th Leg., R.S., Ch.
36 1351] The District authorized to be created by this
37 Act is charged with the responsibility of undertaking
38 any measure, consistent with Section 9, Article IX,
39 Texas Constitution, and this Act, that the Board of
40 Directors determines is necessary to provide hospital
41 and medical care to the needy residents of the
42 District. . . . This District shall undertake any
43 measure, consistent with Section 9, Article IX, Texas
44 Constitution, and this Act, that the Board of
45 Directors determines is necessary to provide hospital
46 and medical care for the needy inhabitants of the
47 District.

1 Revised Law

2 Sec. 1072.102. ANNUAL DETERMINATION OF CARE. The board,
3 based on the estimated amount of revenue and balances available to
4 cover the proposed annual budget for the district, may annually
5 determine the type and extent of hospital and medical care services
6 offered by the district. (Acts 59th Leg., R.S., Ch. 172, Sec.
7 11(n), as amended Acts 79th Leg., R.S., Chs. 1237, 1351.)

8 Source Law

9 (n) [as amended Acts 79th Leg., R.S., Ch. 1237]
10 The Board, based on the estimated amount of revenues
11 and balances available to cover the proposed annual
12 budget for the District, may annually determine the
13 type and extent of hospital and medical care services
14 offered by the District.

15 (n) [as amended Acts 79th Leg., R.S., Ch. 1351]
16 The Board, based on the estimated amount of revenues
17 and balances available to cover the proposed annual
18 budget for the District, may annually determine the
19 type and extent of hospital and medical care services
20 offered by the District.

21 Revised Law

22 Sec. 1072.103. RESTRICTION ON POLITICAL SUBDIVISION
23 TAXATION AND DEBT. A political subdivision of this state, other
24 than the district, may not impose a tax or issue bonds or other
25 obligations to provide hospital service or medical care in the
26 district. (Acts 59th Leg., R.S., Ch. 172, Sec. 3 (part), as amended
27 Acts 79th Leg., R.S., Chs. 1237, 1351.)

28 Source Law

29 Sec. 3. [as amended Acts 79th Leg., R.S., Ch.
30 1237] . . . After this District is created as provided
31 in Section 4 of this Act, no other municipality or
32 political subdivision of this state may levy taxes or
33 issue bonds or other obligations of indebtedness for
34 the purpose of providing hospital service or medical
35 care within the District. . . .

36 Sec. 3. [as amended Acts 79th Leg., R.S., Ch.
37 1351] . . . After this District is created as provided
38 in Section 4 of this Act, no other municipality or
39 political subdivision of this state may levy taxes or
40 issue bonds or other obligations of indebtedness for
41 the purpose of providing hospital service or medical
42 care within the District. . . .

43 Revisor's Note

44 (1) Section 3, Chapter 172, Acts of the 59th
45 Legislature, Regular Session, 1965, as amended by
46 Chapters 1237 and 1351, Acts of the 79th Legislature,

1 Regular Session, 2005, provides that "[a]fter this
2 District is created as provided in Section 4 of this
3 Act," certain political subdivisions may not levy
4 taxes or issue bonds. The revised law omits the quoted
5 language as executed. In addition, throughout this
6 chapter, the revised law substitutes "impose" for
7 "levy" because, in this context, the terms are
8 synonymous and the former is more commonly used.

9 (2) Section 3, Chapter 172, Acts of the 59th
10 Legislature, Regular Session, 1965, as amended by
11 Chapters 1237 and 1351, Acts of the 79th Legislature,
12 Regular Session, 2005, refers to a "municipality or
13 political subdivision." The revised law omits
14 "municipality" because "municipality" is included in
15 the meaning of "political subdivision."

16 Revised Law

17 Sec. 1072.104. MANAGEMENT AND CONTROL OF DISTRICT. The
18 management and control of the district is vested in the board, and
19 the board has full power to manage and control the district. (Acts
20 59th Leg., R.S., Ch. 172, Secs. 5(a) (part), 11(a) (part).)

21 Source Law

22 Sec. 5. (a) The management and control of the
23 District is vested in a Board of Directors

24 Sec. 11. (a) The Board of Directors has full
25 power to manage and control the District. . . .

26 Revised Law

27 Sec. 1072.105. RULES. (a) The board shall adopt rules for
28 the efficient operation of the district, including district
29 facilities.

30 (b) The board shall:

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

32 (2) provide copies to interested persons on request at
33 district expense. (Acts 59th Leg., R.S., Ch. 172, Sec. 11(c).)

34 Source Law

35 (c) The Board shall adopt rules for the
36 efficient operation of the District and its facilities

1 which are not inconsistent with this Act. The Board
2 shall publish these rules and regulations in book form
3 and furnish copies to interested persons upon request
4 and at the expense of the District.

5 Revisor's Note

6 (1) Section 11(c), Chapter 172, Acts of the 59th
7 Legislature, Regular Session, 1965, provides that the
8 board shall adopt rules that are "not inconsistent
9 with this Act." The revised law omits the quoted
10 language because, under established principles of law,
11 the board is not authorized to take any action contrary
12 to the laws of this state.

13 (2) Section 11(c), Chapter 172, Acts of the 59th
14 Legislature, Regular Session, 1965, refers to "rules
15 and regulations." The revised law omits "regulations"
16 because under Section 311.005(5), Government Code
17 (Code Construction Act), a rule is defined to include a
18 regulation.

19 Revised Law

20 Sec. 1072.106. PURCHASING AND ACCOUNTING PROCEDURES. The
21 board may prescribe the method of making purchases and expenditures
22 and the manner of accounting and control used by the district.
23 (Acts 59th Leg., R.S., Ch. 172, Sec. 11(e) (part).)

24 Source Law

25 (e) The Board may:
26 (1) prescribe the method of making
27 purchases and expenditures and the manner of
28 accounting and control used by the District; and
29

30 Revised Law

31 Sec. 1072.107. DISTRICT PROPERTY, FACILITIES, AND
32 EQUIPMENT. (a) The board may:

33 (1) lease or acquire property, including facilities
34 and equipment, for the use of the district; and

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

37 (b) The board may sell, lease, or otherwise dispose of
38 property, including facilities or equipment, for the district.

1 Sale or other disposal under this subsection must be at a public
2 sale and at a price and on the terms the board determines are most
3 advantageous to the district.

4 (c) The board may donate to another governmental entity or
5 to a charitable organization any surplus personal property or
6 equipment if the donation serves a public purpose and is
7 accompanied by adequate consideration. (Acts 59th Leg., R.S., Ch.
8 172, Secs. 11(o), (p).)

9 Source Law

10 (o) The Board may lease or acquire property,
11 facilities, and equipment for the use of the District
12 and may mortgage or pledge the property, facilities,
13 or equipment as security for the payment of the
14 purchase price.

15 (p) The Board may sell, lease, or otherwise
16 dispose of property, facilities, or equipment on
17 behalf of the District. Sale or other disposal of the
18 property, facilities, or equipment must be at a public
19 sale and at a price and on the terms the Board
20 determines are most advantageous to the District. The
21 Board may donate to another governmental entity or to
22 any charitable organization any surplus personal
23 property or equipment if the donation serves a public
24 purpose and is accompanied by adequate consideration.

25 Revised Law

26 Sec. 1072.108. EMINENT DOMAIN. (a) The district may
27 exercise the power of eminent domain to acquire a fee simple or
28 other interest in real, personal, or mixed property located in
29 district territory if the interest is necessary or convenient for
30 the district to exercise a power or duty conferred on the district
31 by this chapter.

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

36 (c) In a condemnation proceeding, the district is not
37 required to:

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

40 (2) provide a bond for costs or a supersedeas bond on
41 an appeal or petition for review. (Acts 59th Leg., R.S., Ch. 172,

1 Sec. 14.)

2 Source Law

3 Sec. 14. (a) The District has the power of
4 eminent domain for the purpose of acquiring by
5 condemnation any interest, including fee simple
6 absolute, in any real, personal, or mixed property
7 within the boundaries of the District that is
8 necessary or convenient to the exercise of the powers
9 and duties conferred upon it by this Act.

10 (b) The Board shall exercise this power of
11 eminent domain in the same manner as provided by
12 general law. However, the District is not required to
13 make deposits in the registry of the trial court or to
14 post bond as required by Paragraph 2, Article 3268,
15 Revised Civil Statutes of Texas, 1925, as amended.

16 (c) The District is not required to pay in
17 advance or to give any bond or other security for costs
18 in the trial court otherwise required for the issuance
19 relating to a condemnation proceeding, nor is it
20 required to give a bond for costs or for supersedeas on
21 an appeal or writ of error proceeding to a Court of
22 Civil Appeals or to the Supreme Court.

23 Revisor's Note

24 (1) Section 14(a), Chapter 172, Acts of the 59th
25 Legislature, Regular Session, 1965, provides that the
26 district has the "power of eminent domain for the
27 purpose of acquiring [property] by condemnation." The
28 revised law substitutes for the quoted language "may
29 exercise the power of eminent domain to acquire
30 [property]" because the phrases have the same meaning
31 and the latter phrase is consistent with modern usage
32 in laws relating to eminent domain.

33 (2) Section 14(b), Chapter 172, Acts of the 59th
34 Legislature, Regular Session, 1965, provides that the
35 district must exercise the power of eminent domain in
36 the manner provided by "general law." The revised law
37 substitutes for the quoted language a reference to
38 Chapter 21, Property Code, because that is the general
39 law governing eminent domain for governmental
40 entities.

41 (3) Section 14(b), Chapter 172, Acts of the 59th
42 Legislature, Regular Session, 1965, refers to
43 "Paragraph 2, Article 3268, Revised Civil Statutes of
44 Texas, 1925, as amended." That statute was codified in

1 1983 as Section 21.021(a), Property Code. The revised
2 law is drafted accordingly. In addition, throughout
3 this chapter, the revised law omits the reference to
4 "as amended" because under Section 311.027, Government
5 Code (Code Construction Act), a reference to a statute
6 applies to all reenactments, revisions, or amendments
7 of that statute unless expressly provided otherwise.

8 (4) Section 14(c), Chapter 172, Acts of the 59th
9 Legislature, Regular Session, 1965, refers to an
10 "appeal or writ of error proceeding to a Court of Civil
11 Appeals or to the Supreme Court." The revised law
12 substitutes "petition for review" for "writ of error"
13 because, effective September 1, 1997, the Texas
14 Supreme Court replaced the writ of error procedure
15 with the petition for review procedure. See Rule 53.1,
16 Rules of Appellate Procedure. In addition, the
17 revised law omits the references to the courts because
18 those are the only courts to which the district may
19 appeal or petition for review.

20 Revised Law

21 Sec. 1072.109. 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 59th Leg., R.S., Ch. 172, Sec. 11(h).)

27 Source Law

28 (h) The Board may accept donations, gifts, and
29 endowments for the District. The Board shall hold all
30 donations, gifts, and endowments in trust and shall
31 administer them under any direction, limitation, or
32 provisions as may be prescribed in writing by the
33 donor, as long as it is not inconsistent with the
34 proper management of the District.

35 Revisor's Note

36 Section 11(h), Chapter 172, Acts of the 59th
37 Legislature, Regular Session, 1965, refers to

1 "donations" and "gifts." The revised law omits
2 "donations" because "donations" is included in the
3 meaning of "gifts."

4 Revised Law

5 Sec. 1072.110. CONSTRUCTION CONTRACTS. (a) The board may
6 enter into construction contracts for the district.

7 (b) A construction contract awarded by the district that
8 involves the expenditure of more than the amount provided by
9 Section 271.024, Local Government Code, must be competitively bid
10 as provided by Subchapter B, Chapter 271, Local Government Code.
11 (Acts 59th Leg., R.S., Ch. 172, Sec. 11(q) (part).)

12 Source Law

13 (q) The Board may enter into construction
14 contracts on behalf of the District. A construction
15 contract awarded by the District for more than \$15,000
16 must be competitively bid, as provided by Subchapter
17 B, Chapter 271, Local Government Code. . . .

18 Revisor's Note

19 (1) Section 11(q), Chapter 172, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that
21 contracts awarded by the district that involve
22 spending more than \$15,000 must be competitively bid
23 as provided by Subchapter B, Chapter 271, Local
24 Government Code. The revised law omits the reference
25 to the \$15,000 amount as superseded by Section 5,
26 Chapter 115, Acts of the 77th Legislature, Regular
27 Session, 2001, which amended Section 271.024, Local
28 Government Code, to increase the contract amount for
29 which competitive bidding is required to \$25,000.

30 (2) Section 11(q), Chapter 172, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that
32 Chapter 2253, Government Code, applies to the
33 district's construction contracts. The revised law
34 omits the provision because Chapter 2253 applies to
35 the district on its own terms. The omitted law reads:

36 (q) . . . Chapter 2253, Government
37 Code, applies to construction contracts let

1 by the District.

2 Revised Law

3 Sec. 1072.111. OPERATING AND MANAGEMENT CONTRACTS. The
4 board may enter into an operating or management contract relating
5 to hospital services or medical care the district is authorized to
6 provide. (Acts 59th Leg., R.S., Ch. 172, Sec. 11(r).)

7 Source Law

8 (r) The Board may enter into operating or
9 management contracts with respect to any of the
10 hospital services or medical care that the District
11 may provide.

12 Revised Law

13 Sec. 1072.112. CONTRACTS WITH POLITICAL SUBDIVISIONS OR
14 GOVERNMENT AGENCIES FOR HOSPITAL AND MEDICAL CARE. The board may
15 contract with a municipality or other political subdivision or a
16 state or federal agency to provide hospital and medical care for
17 needy persons who reside outside the district. (Acts 59th Leg.,
18 R.S., Ch. 172, Sec. 11(i).)

19 Source Law

20 (i) The Board may enter into any contract with a
21 municipality or other political subdivision or with a
22 state or federal agency to provide hospital and
23 medical care for needy persons who reside outside the
24 District.

25 Revised Law

26 Sec. 1072.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) A
27 person who resides in the district is entitled to receive necessary
28 medical and hospital care regardless of whether the person has the
29 ability to pay for the care and may apply to receive this care
30 without cost.

31 (b) The board or the district administrator shall employ a
32 person to investigate the ability of the patient and any relative
33 who is liable for the patient's support to pay for the medical and
34 hospital care received by the patient.

35 (c) If the district determines that the patient or relative
36 legally liable for the patient's support cannot pay all or part of
37 the costs of the patient's care, the expense of the care becomes a
38 charge against the district.

1 (d) If the patient or a relative legally liable for the
2 patient's support can pay for all or part of the costs of the
3 patient's care, the board shall order the patient or relative to pay
4 to the district each week an amount specified in the order. The
5 amount must be proportionate to the person's ability to pay.

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

10 (f) If there is a dispute as to the ability to pay, the board
11 shall hold a hearing and, 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
17 substantial evidence rule applies to the appeal. (Acts 59th Leg.,
18 R.S., Ch. 172, Sec. 13.)

19 Source Law

20 Sec. 13. (a) A person who resides within the
21 District is entitled to receive necessary medical and
22 hospital care whether he has the ability to pay for the
23 care or not. A person who resides within the District
24 may make application to receive this care without
25 cost.

26 (b) The Board or the administrator shall employ
27 a person to investigate the ability of the patient and
28 the ability of any relative who is liable for the
29 support of the patient to pay for the medical and
30 hospital care which the patient receives.

31 (c) If the patient or a relative of the patient
32 who is legally liable for his support is able to pay
33 for this care in whole or in part, the Board shall
34 order the patient or his relatives to pay to the
35 District each week an amount specified in the order.
36 The amount must be in proportion to the ability to pay.

37 (d) The administrator may collect this amount
38 from the estate of the patient, or from his relatives
39 who are liable for his support, in the manner provided
40 by law for the collection of expenses of the last
41 illness of a deceased person.

42 (e) If the District finds that neither the
43 patient, nor a relative who is legally liable for his
44 support, is able to pay in whole or in part for this
45 care, the expense of this care becomes a charge on the
46 District.

47 (f) If there is a dispute as to the ability to
48 pay, the Board shall hear and determine the question,
49 after calling witnesses, and make the proper order

1 based on its findings.

2 (g) A party to the hearing who is not satisfied
3 with the result of the order may appeal to the district
4 court, and the substantial evidence rule applies to
5 that appeal.

6 Revised Law

7 Sec. 1072.114. REIMBURSEMENT FOR SERVICE. (a) The board
8 shall require a county, municipal, or other public hospital located
9 outside the district to reimburse the district for the district's
10 care and treatment of a patient of that hospital as provided by
11 Chapter 61, Health and Safety Code.

12 (b) The board shall require the sheriff of Maverick County
13 or the police chief of a municipality in the district to reimburse
14 the district for the district's care and treatment of a person who
15 is confined in a jail facility of the county or municipality and is
16 not a resident of the district. (Acts 59th Leg., R.S., Ch. 172,
17 Sec. 11(j).)

18 Source Law

19 (j) The Board shall require:

20 (1) reimbursement from the sheriff of
21 Maverick County or the police chief of a municipality
22 in the District for the District's care and treatment
23 of a person confined in a jail facility of the county
24 or municipality who is not a resident of the District;
25 and

26 (2) reimbursement from a county,
27 municipal, or other public hospital located outside
28 the boundaries of the District for the District's care
29 and treatment of a patient of that hospital, as
30 provided by Chapter 61, Health and Safety Code.

31 Revised Law

32 Sec. 1072.115. CHARITABLE ORGANIZATION. (a) In this
33 section, "charitable organization" means an organization that is
34 exempt from federal income tax under Section 501(a) of the Internal
35 Revenue Code of 1986 by being listed as an exempt organization in
36 Section 501(c)(3) or 501(c)(4) of the code.

37 (b) The board may facilitate the achievement of district
38 purposes by creating a charitable organization to:

39 (1) provide or arrange for hospital and health care
40 services;

41 (2) develop resources for hospital and health care
42 services; and

1 (3) provide ancillary support services for the
2 district.

3 (c) A charitable organization created under this section is
4 a unit of local government for purposes of Chapter 101, Civil
5 Practice and Remedies Code. (Acts 59th Leg., R.S., Ch. 172, Secs.
6 11(s), (u).)

7 Source Law

8 (s) The Board may facilitate achievement of the
9 purpose of the District by creating a charitable
10 organization to provide or arrange for hospital and
11 health care services, develop resources for hospital
12 and health care services, and provide ancillary
13 support services for the District. A charitable
14 organization created by the Board under this
15 subsection is a unit of local government for purposes
16 of Chapter 101, Civil Practice and Remedies Code.

17 (u) In this section, "charitable organization"
18 means an organization that is exempt from federal
19 income tax under Section 501(a) of the Internal
20 Revenue Code of 1986, as amended, by being listed as an
21 exempt organization in Section 501(c)(3) or 501(c)(4)
22 of the code.

23 Revised Law

24 Sec. 1072.116. NONPROFIT CORPORATION. (a) The board, on
25 the district's behalf, may create and sponsor a nonprofit
26 corporation under the Business Organizations Code and may
27 contribute money to or solicit money for the corporation.

28 (b) The corporation may use money, other than money the
29 corporation pays to the district, only to provide health care or
30 other services the district is authorized to provide under this
31 chapter.

32 (c) The corporation may invest the corporation's money in
33 any manner in which the district may invest the district's money,
34 including investing money as authorized by Chapter 2256, Government
35 Code.

36 (d) The board shall establish adequate controls to ensure
37 that the corporation uses its money as required by this section.
38 (Acts 59th Leg., R.S., Ch. 172, Sec. 11(t).)

39 Source Law

40 (t) The Board, on behalf of the District, may
41 sponsor and create a nonprofit corporation under the
42 Texas Non-Profit Corporation Act (Article 1396-1.01 et

1 seq., Vernon's Texas Civil Statutes) and may
2 contribute funds to or solicit funds for the
3 corporation. The corporation may use funds, other
4 than funds paid by the corporation to the District,
5 only to provide health care or other services the
6 District may provide under this Act. The Board shall
7 establish adequate controls to ensure that the
8 corporation uses its funds as required by this
9 subsection. The corporation may invest corporation
10 funds in any manner in which the District may invest
11 funds, including investing funds as authorized by
12 Chapter 2256, Government Code.

13 Revisor's Note

14 Section 11(t), Chapter 172, Acts of the 59th
15 Legislature, Regular Session, 1965, refers to the
16 Texas Non-Profit Corporation Act. That act was
17 codified in various chapters of the Business
18 Organizations Code by Chapter 182, Acts of the 78th
19 Legislature, Regular Session, 2003. On January 1,
20 2010, the Texas Non-Profit Corporation Act expires,
21 and, as of that date, the Business Organizations Code
22 applies to all business entities. The revised law is
23 drafted accordingly.

24 Revisor's Note
25 (End of Subchapter)

26 (1) Section 11(a), Chapter 172, Acts of the 59th
27 Legislature, Regular Session, 1965, states that a
28 provision of the act that provides a specific power or
29 duty does not limit the district's general authority to
30 carry out the purposes of the act. The revised law
31 omits this provision because it is a generally
32 accepted principle of statutory interpretation that
33 all of a statute is intended to be given effect and
34 that specific grants of power do not limit more general
35 grants of power. Additionally, Section 311.021(2),
36 Government Code (Code Construction Act), provides that
37 an entire statute is intended to be effective. The
38 omitted law reads:

39 (a) . . . Any provision of this Act
40 which provides a specific power or duty does
41 not limit the general authority of the
42 District to carry out the purposes of this
43 Act.

1 (2) Section 16, Chapter 172, Acts of the 59th
2 Legislature, Regular Session, 1965, provides
3 authority for the "State Board of Health, the State
4 Board of Public Welfare, or any other state agency
5 created for a similar purpose" to inspect hospital
6 district facilities and records. The revised law
7 omits Section 16 because various state laws, including
8 Chapters 222 and 241, Health and Safety Code, provide
9 the necessary inspection authority to appropriate
10 state agencies. The omitted law reads:

11 Sec. 16. (a) The District is subject
12 to inspection at any time by an authorized
13 representative of the State Board of
14 Health, the State Board of Public Welfare,
15 or any other state agency created for a
16 similar purpose.

17 (b) The administrator of the hospital
18 shall admit a representative into the
19 facilities of the District and make
20 accessible on demand all District records,
21 reports, books, papers, and accounts.

22 [Sections 1072.117-1072.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Revised Law

25 Sec. 1072.151. BUDGET. The district administrator shall
26 prepare a proposed budget that includes:

- 27 (1) proposed expenditures and disbursements;
28 (2) estimated receipts and collections for the next
29 fiscal year; and
30 (3) the amount of taxes required to be imposed to meet
31 the proposed budget. (Acts 59th Leg., R.S., Ch. 172, Sec. 12(b).)

32 Source Law

33 (b) The administrator shall prepare a proposed
34 budget showing:

35 (1) the proposed expenditures and
36 disbursements;

37 (2) the estimated receipts and collections
38 for the next fiscal year; and

39 (3) the amount of taxes required to be
40 levied and collected during the next fiscal year to
41 meet the proposed budget.

42 Revisor's Note

43 Section 12(b), Chapter 172, Acts of the 59th

1 Legislature, Regular Session, 1965, refers to taxes
2 "levied and collected." The revised law substitutes
3 "imposed" for the quoted language because "impose" is
4 the term generally used in Title 1, Tax Code, and
5 includes the levying and collection of an ad valorem
6 tax.

7 Revised Law

8 Sec. 1072.152. ADOPTION OF PROPOSED BUDGET: NOTICE AND
9 HEARING. (a) The board shall hold a public hearing on the proposed
10 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 10th day before the date of the hearing.

14 (c) Any district resident is entitled to:

15 (1) appear at the hearing; and

16 (2) be heard regarding any item in the proposed
17 budget.

18 (d) At the conclusion of the hearing, the board shall adopt
19 a budget for the district that includes any changes to the proposed
20 budget that the board determines are in the best interest of the
21 district. (Acts 59th Leg., R.S., Ch. 172, Secs. 12(c), (d), (e).)

22 Source Law

23 (c) The Board shall hold a public hearing on the
24 proposed budget after publication of notice in a
25 newspaper of general circulation in the District. The
26 notice must be given at least once not less than 10
27 days prior to the hearing.

28 (d) Any resident of the District is entitled to
29 appear at the hearing and be heard with reference to
30 any item in the proposed budget.

31 (e) At the conclusion of the hearing, the Board
32 shall adopt a budget for the District that includes any
33 changes to the administrator's proposed budget that
34 the Board determines are in the best interest of the
35 District.

36 Revised Law

37 Sec. 1072.153. FISCAL YEAR. The district's fiscal year is
38 from September 1 through August 31. (Acts 59th Leg., R.S., Ch. 172,
39 Sec. 12(a).)

1 Source Law

2 Sec. 12. (a) The fiscal year of the hospital
3 district is from September 1 of each year through
4 August 31 of the following year.

5 Revised Law

6 Sec. 1072.154. ANNUAL AUDIT. (a) The board annually shall
7 require an independent audit of the district's books and records.

8 (b) Not later than January 1 of each year, the board shall:

9 (1) file a copy of the audit with the district; and

10 (2) provide a copy of the audit at each public library
11 located in the district. (Acts 59th Leg., R.S., Ch. 172, Sec.
12 11(d).)

13 Source Law

14 (d) The Board shall require an annual
15 independent audit of the books and records of the
16 District and shall file a copy of the audit with the
17 District and shall provide a copy of the audit at each
18 public library located in the District not later than
19 January 1 of each year.

20 Revised Law

21 Sec. 1072.155. DEPOSITORY. (a) The board by resolution
22 shall designate a bank in Maverick County as the district's
23 depository. A designated bank serves for two years and until a
24 successor is designated.

25 (b) All district money shall be deposited in the depository
26 and secured in the manner provided for securing county funds. (Acts
27 59th Leg., R.S., Ch. 172, Sec. 15.)

28 Source Law

29 Sec. 15. Within 30 days after the qualification
30 of the Board of Directors, the Board shall by
31 resolution designate a bank within the county in which
32 the District is located to be the depository of the
33 District. All funds of the District shall be deposited
34 in the depository and shall be secured in the manner
35 now provided for the security of county funds. The
36 depository shall serve for a period of two years and
37 until a successor has been named in accordance with
38 this section.

39 Revisor's Note

40 (1) Section 15, Chapter 172, Acts of the 59th
41 Legislature, Regular Session, 1965, requires the board
42 to select a depository "[w]ithin 30 days after the

1 qualification of the Board of Directors." The revised
2 law omits the quoted language as executed.

3 (2) Section 15, Chapter 172, Acts of the 59th
4 Legislature, Regular Session, 1965, refers to the bank
5 in "the county in which the District is located."
6 Throughout this chapter, the revised law substitutes
7 "Maverick County" for the quoted language because that
8 is the county in which the district is located.

9 Revised Law

10 Sec. 1072.156. AUTHORITY TO BORROW MONEY; SECURITY. (a)
11 The board may borrow money at a rate of not more than 10 percent a
12 year on district notes to pay the obligations if the board declares
13 that money is not available to meet authorized district
14 obligations, which creates an emergency.

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;

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

21 (3) district bonds that have been authorized but not
22 sold.

23 (c) A loan for which taxes or bonds are pledged must mature
24 not later than the first anniversary of the date the loan is made. A
25 loan for which district revenue is pledged must mature not later
26 than the fifth anniversary of the date the loan is made.

27 (d) Money obtained from a loan under this section may be
28 spent only for:

29 (1) a purpose for which the board declared an
30 emergency; and

31 (2) if district taxes or bonds are pledged to pay the
32 loan, the purposes for which the taxes were imposed or the bonds
33 were authorized. (Acts 59th Leg., R.S., Ch. 172, Sec. 11A.)

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Source Law

Sec. 11A. (a) The Board may declare that funds are not available to meet lawfully authorized obligations of the District, thereby creating an emergency, and may borrow money at a rate of not more than 10 percent a year on notes of the District to pay the obligations.

(b) To secure the loan, the Board may pledge revenues of the District that are not pledged to pay any bonded indebtedness of the District, taxes of the District to be levied by the District in the succeeding 12-month period that are not pledged to pay principal of or interest on bonds of the District, or bonds of the District that have been authorized but not sold.

(c) If taxes or bonds are pledged to pay the loan, the loan shall mature not later than 12 months from the date the loan is made.

(d) If revenues of the District are pledged for payment of the loan, the loan shall mature not more than five years after the date the loan is made.

(e) No money obtained from a loan under this section may be spent for any purpose other than the purpose for which the Board declared an emergency and, if taxes or bonds are pledged to pay the loan, for any purposes other than the purposes for which the pledged taxes were levied or the pledged bonds were authorized.

[Sections 1072.157-1072.200 reserved for expansion]

SUBCHAPTER E. BONDS

Revised Law

Sec. 1072.201. BONDS. The district may issue bonds to:

- (1) purchase, construct, acquire, repair, or renovate buildings or improvements; and
- (2) equip buildings for hospital purposes. (Acts 59th Leg., R.S., Ch. 172, Sec. 9(a) (part).)

Source Law

(a) . . . the District may issue bonds for the purchase, construction, acquisition, repair, or renovation of buildings and improvements, and for equipping the buildings for hospital purposes. . . .

Revisor's Note

Section 9(a), Chapter 172, Acts of the 59th Legislature, Regular Session, 1965, authorized the commissioners court to order a bond election at the election to create the district. The revised law omits that provision as executed because the creation election has been conducted. The omitted law reads:

Sec. 9. (a) At the time of the election to create the District the

1 commissioners court may order an election
2 to determine whether [the District may
3 issue bonds]

4 Revised Law

5 Sec. 1072.202. TAX TO PAY GENERAL OBLIGATION BONDS. The
6 board may issue general obligation bonds only if the board imposes
7 an ad valorem tax at a rate sufficient to create an interest and
8 sinking fund to pay the principal of and interest on the bonds as
9 the bonds mature. (Acts 59th Leg., R.S., Ch. 172, Sec. 10(b).)

10 Source Law

11 (b) The Board may not issue any general
12 obligation bonds unless a sufficient tax is levied to
13 create an interest and sinking fund to pay the interest
14 and principal as it matures.

15 Revisor's Note

16 Section 10(b), Chapter 172, Acts of the 59th
17 Legislature, Regular Session, 1965, requires the
18 district to levy a tax to pay the principal of and
19 interest on bonds. The revised law specifies that the
20 tax is an "ad valorem" tax because it is clear from the
21 source law that the tax is a property tax and "ad
22 valorem" is the term most commonly used to refer to a
23 property tax.

24 Revised Law

25 Sec. 1072.203. BOND ELECTION. (a) The board may issue
26 general obligation bonds only if the bonds are authorized by a
27 majority of district voters voting in an election held for that
28 purpose.

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

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

- 31 (1) the time of the election;
32 (2) the location of the polling places;
33 (3) the form of the ballot;
34 (4) the presiding judge for each polling place;
35 (5) the purpose of the bond issuance;
36 (6) the amount of the bonds to be authorized;
37 (7) the maximum interest rate of the bonds; and

1 (8) the maximum maturity of the bonds.

2 (d) A substantial copy of the election order shall be
3 published in a newspaper of general circulation in the district
4 once a week for two consecutive weeks before the date of the
5 election. The first notice must be published at least 14 days
6 before the date of the election.

7 (e) A copy of the election results must be filed with the
8 county clerk and become a public record. (Acts 59th Leg., R.S., Ch.
9 172, Secs. 4(c), (d), (e) (part), 9(a) (part), (b), (d) (part).)

10 Source Law

11 [Sec. 4]

12 (c) The order calling the election must contain
13 the time and place, or places, of holding the election,
14 the form of the ballot, and the presiding judge for
15 each voting place.

16 (d) The commissioners court shall publish a
17 substantial copy of the election order in a newspaper
18 of general circulation within the District once a week
19 for two consecutive weeks prior to the date of the
20 election. The first notice must be published at least
21 14 days before the date of the election.

22 (e) . . . A copy of the results are to be filed
23 with the County Clerk and become of public
24 record. . . .

25 Sec. 9. (a) . . . If the commissioners court
26 does not include this election in the order for the
27 election to create the District, the Board of
28 Directors may order this election at any time.

29 (b) The order and notice of election and the
30 certification declaration of the results to the County
31 Clerk are governed by Section 4 of this Act. In
32 addition to the provisions of that section, the order
33 of this election must include:

- 34 (1) the purpose for which the bonds are to
35 be issued;
36 (2) the amount of the proposed bond issue;
37 (3) the maximum interest rate;
38 (4) the maximum maturity date of the
39 bonds.

40 (d) The Board of Directors shall not issue any
41 general obligation bonds until a majority of the
42 qualified electors of the District voting in an
43 election for this purpose vote for the issuance of
44 these bonds. . . .

45 Revisor's Note

46 (1) Sections 4(e) and 9(d), Chapter 172, Acts of
47 the 59th Legislature, Regular Session, 1965, provide
48 that the presiding judge of each voting place shall
49 count the votes and certify the results to the
50 commissioners court within 10 days, and that the board

1 shall canvass the returns and declare the results of
2 the election. The revised law omits those provisions
3 as superseded by Sections 67.002, 67.003, and 67.004,
4 Election Code (enacted by Section 1, Chapter 211, Acts
5 of the 69th Legislature, Regular Session, 1985), which
6 require the governing body of a political subdivision
7 that orders an election to canvass the returns and
8 provides the time frame and procedures for the
9 canvass. The omitted law reads:

10 [Sec. 4]

11 (e) The presiding judge of each
12 voting place shall supervise the counting
13 of all votes cast and shall certify the
14 results to the commissioners court within
15 10 days after the election. . . .

16 [Sec. 9]

17 (d) . . . In any election held for
18 the purpose of approving the issuance of
19 general obligation bonds, the Board shall
20 canvass the returns and declare the results
21 of the election.

22 (2) Section 9(d), Chapter 172, Acts of the 59th
23 Legislature, Regular Session, 1965, refers to
24 "qualified electors of the District." The revised law
25 omits "qualified" as unnecessary in this context
26 because Chapter 11, Election Code, governs eligibility
27 to vote in an election in this state and allows only
28 "qualified" voters who are residents of the territory
29 covered by the election to vote in an election. The
30 revised law substitutes "voter" for "elector" because
31 the former is the term used in the Election Code.

32 Revised Law

33 Sec. 1072.204. REVENUE BONDS. (a) The district may issue
34 revenue bonds to:

35 (1) acquire, construct, repair, renovate, or equip
36 buildings or improvements for hospital purposes; or

37 (2) acquire real property for district purposes.

38 (b) The bonds must be payable from and secured by a pledge of
39 all or part of the revenue derived from the operation of the

1 district's hospital system.

2 (c) The bonds must be issued in the manner provided by
3 Sections 264.042, 264.043, 264.044, 264.045, 264.046, 264.047,
4 264.048, and 264.049, Health and Safety Code, for issuance of
5 revenue bonds by a county hospital authority. (Acts 59th Leg.,
6 R.S., Ch. 172, Secs. 10(d), (e), (f).)

7 Source Law

8 (d) The District may issue revenue bonds to:
9 (1) acquire, construct, repair, renovate,
10 or equip buildings and improvements for hospital
11 purposes; and

12 (2) acquire real property for District
13 purposes.

14 (e) The revenue bonds issued under Subsection
15 (d) must be payable from and secured by a pledge of all
16 or part of the District's revenues from operations of
17 the hospital system.

18 (f) The revenue bonds issued under Subsection
19 (d) must be issued in accordance with Sections
20 264.042, 264.043, 264.044, 264.045, 264.046, 264.047,
21 264.048, and 264.049, Health and Safety Code, for the
22 issuance of revenue bonds by county hospital
23 authorities.

24 Revised Law

25 Sec. 1072.205. REFUNDING BONDS. (a) The board may issue
26 refunding bonds to refund outstanding indebtedness issued or
27 assumed by the district.

28 (b) A refunding bond may be:

29 (1) sold, with the proceeds of the bond applied to the
30 payment of the outstanding indebtedness; or

31 (2) exchanged wholly or partly for not less than a
32 similar principal amount of outstanding indebtedness. (Acts 59th
33 Leg., R.S., Ch. 172, Sec. 10(g) (part).)

34 Source Law

35 (g) The District may issue refunding bonds to
36 refund an outstanding indebtedness the District has
37 issued or assumed. . . . The refunding bonds may be
38 sold and the proceeds applied to the payment of
39 outstanding indebtedness or may be exchanged in whole
40 or in part for not less than a similar principal amount
41 of outstanding indebtedness. . . .

42 Revisor's Note

43 Section 10(g), Chapter 172, Acts of the 59th
44 Legislature, Regular Session, 1965, provides that
45 refunding bonds must be issued in the manner provided

1 by Chapter 784, Acts of the 61st Legislature, Regular
2 Session, 1969 (Article 717k-3, Vernon's Texas Civil
3 Statutes). In addition, the section provides that
4 refunding bonds sold to pay outstanding indebtedness
5 must be issued and payments made in the manner provided
6 by Chapter 503, Acts of the 54th Legislature, Regular
7 Session, 1955 (Article 717k, Vernon's Texas Civil
8 Statutes). Articles 717k and 717k-3 were codified in
9 1999 as Chapter 1207, Government Code. The revised law
10 omits the provisions because Chapter 1207, Government
11 Code, applies to district bonds by application of
12 Section 1207.001, Government Code. The omitted law
13 reads:

14 (g) . . . The bonds must be issued in
15 the manner provided by Chapter 784, Acts of
16 the 61st Legislature, Regular Session, 1969
17 (Article 717k-3, Vernon's Texas Civil
18 Statutes). . . . If the refunding bonds are
19 to be sold and the proceeds applied to the
20 payment of outstanding indebtedness, the
21 refunding bonds must be issued and payments
22 made in the manner provided by Chapter 503,
23 Acts of the 54th Legislature, Regular
24 Session, 1955 (Article 717k, Vernon's Texas
25 Civil Statutes).

26 Revised Law

27 Sec. 1072.206. MATURITY OF BONDS. District bonds must
28 mature not later than 50 years after the date of issuance. (Acts
29 59th Leg., R.S., Ch. 172, Sec. 9(c) (part).)

30 Source Law

31 (c) . . . The Board of Directors shall not issue
32 any bond which matures more than 50 years from the date
33 of issuance.

34 Revised Law

35 Sec. 1072.207. EXECUTION OF BONDS. (a) The board president
36 shall execute the district's bonds in the district's name.

37 (b) The board secretary shall countersign the bonds. (Acts
38 59th Leg., R.S., Ch. 172, Sec. 10(a) (part).)

39 Source Law

40 Sec. 10. (a) The president of the Board shall
41 execute the bonds in the name of and on behalf of the
42 hospital district. The secretary of the Board of

1 Directors shall countersign the bonds. . . .

2 Revisor's Note

3 Section 10(a), Chapter 172, Acts of the 59th
4 Legislature, Regular Session, 1965, provides that
5 district bonds are subject to the law governing
6 counties that relates to bond approval by the attorney
7 general and registration of the bonds by the
8 comptroller. Section 10(a) also provides that after
9 approval and registration the bonds are "incontestable
10 for any reason." The revised law omits those
11 provisions because they duplicate, in substance,
12 Chapter 1202, Government Code (enacted as Article 3,
13 Chapter 53, Acts of the 70th Legislature, 2nd Called
14 Session, 1987). Section 1202.003(a), Government Code,
15 requires bonds to be submitted to the attorney
16 general. Section 1202.003(b), Government Code,
17 provides for approval of the bonds by the attorney
18 general and requires the attorney general to submit
19 the approved bonds to the comptroller for
20 registration. Section 1202.005, Government Code,
21 requires registration of the bonds by the comptroller.
22 Section 1202.006, Government Code, provides that after
23 approval and registration the bonds are incontestable
24 and binding obligations. Chapter 1202, Government
25 Code, applies to district bonds by application of
26 Section 1202.001, Government Code. The omitted law
27 reads:

28 (a) . . . The Attorney General of the
29 State of Texas shall approve the bonds if
30 they meet the same requirements as provided
31 by law for bonds issued by a county. The
32 bonds are to be registered by the
33 Comptroller of Public Accounts of the State
34 of Texas in the same manner as provided by
35 law for the registration of bonds issued by
36 a county. After approval and registration
37 the bonds are incontestable for any reason.

38 Revised Law

39 Sec. 1072.208. 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 59th
6 Leg., R.S., Ch. 172, Sec. 10(j) (part).)

7 Source Law

8 (j) . . . bonds issued by the District, any
9 transaction relating to the bonds, and profits made in
10 the sale of the bonds are free from taxation by the
11 state or by any municipality, county, special
12 district, or other political subdivision of the state.

13 Revisor's Note

14 Section 10(j), Chapter 172, Acts of the 59th
15 Legislature, Regular Session, 1965, refers to "any
16 municipality, county, special district, or other
17 political subdivision of the state." The revised law
18 omits "municipality," "county," and "special
19 district" because those terms are included in the
20 meaning of "political subdivision of the state."

21 Revisor's Note
22 (End of Subchapter)

23 (1) Section 9(c), Chapter 172, Acts of the 59th
24 Legislature, Regular Session, 1965, provides that
25 district bonds must bear interest at a rate that does
26 not exceed the rate provided by Chapter 3, Acts of the
27 61st Legislature, Regular Session, 1969 (Article
28 717k-2, Vernon's Texas Civil Statutes). The revised
29 law omits that provision because the maximum interest
30 rate noted in Chapter 3 was revised in 1999 as Section
31 1204.006, Government Code, and Section 1204.006
32 applies to district bonds by application of Section
33 1204.001, Government Code. The omitted law reads:

34 (c) Bonds issued by the Board must
35 bear interest at a rate not to exceed that
36 provided by Chapter 3, Acts of the 61st
37 Legislature, Regular Session, 1969 (Article
38 717k-2, Vernon's Texas Civil Statutes).
39 . . .

1 (2) Section 10(c), Chapter 172, Acts of the 59th
2 Legislature, Regular Session, 1965, provides that
3 district bonds may be made optional for redemption
4 before maturity. The revised law omits this provision
5 because Section 1201.021, Government Code, provides
6 that a public security may be issued as redeemable
7 before maturity at one or more specified times.
8 Section 1201.021, Government Code, applies to district
9 bonds by application of Section 1201.002, Government
10 Code. The omitted law reads:

11 (c) All bonds issued by the District
12 may be made optional for redemption prior to
13 their maturity date in the discretion of the
14 Board.

15 (3) Section 10(h), Chapter 172, Acts of the 59th
16 Legislature, Regular Session, 1965, provides that
17 district bonds are legal and authorized investments
18 for certain entities. The revised law omits the
19 provision as unnecessary. As to several of the
20 entities listed, Section 10(h) has been superseded and
21 impliedly repealed or it duplicates existing law.
22 Investments in securities by banks are regulated by
23 Section 34.101, Finance Code (enacted in 1995 as
24 Section 5.101, Texas Banking Act (Article 342-5.101,
25 Vernon's Texas Civil Statutes)). Investments in
26 securities by savings banks are regulated by Section
27 93.001(c)(10), Finance Code (enacted in 1993 as
28 Section 7.15(10), Texas Savings Bank Act (Article
29 489e, Vernon's Texas Civil Statutes)). Investments in
30 securities by trust companies are regulated by Section
31 184.101, Finance Code (enacted in 1997 as Section
32 5.101, Texas Trust Company Act (Article 342a-5.101,
33 Vernon's Texas Civil Statutes)). Investments in
34 securities by savings and loan associations are
35 regulated by Sections 63.002 and 64.001, Finance Code.
36 As to the remaining entities listed, Section 10(h)

1 duplicates Section 1201.041, Government Code (enacted
2 as Section 9, Bond Procedures Act of 1981 (Article
3 717k-6, Vernon's Texas Civil Statutes)). Section
4 1201.041, Government Code, applies to district bonds
5 by application of Section 1201.002, Government Code.
6 The revised law omits the reference to public funds of
7 this state because it has been superseded by Section
8 404.024, Government Code (enacted in 1985 as Section
9 2.014, Treasury Act (Article 4393-1, Vernon's Texas
10 Civil Statutes), and last amended in 2007), which
11 governs the investment of state funds. Section
12 404.024(b)(10), Government Code, authorizes the
13 investment of state funds in obligations of political
14 subdivisions, including hospital districts. The
15 omitted law reads:

16 (h) District bonds and indebtedness
17 assumed by the District are legal and
18 authorized investments for:

- 19 (1) banks;
- 20 (2) savings banks;
- 21 (3) trust companies;
- 22 (4) savings and loan
23 associations;
- 24 (5) insurance companies;
- 25 (6) fiduciaries;
- 26 (7) trustees;
- 27 (8) guardians; and
- 28 (9) sinking funds of
29 municipalities, counties, school
30 districts, and other political subdivisions
31 and public funds of the state, including the
32 permanent school fund.

33 (4) Section 10(i), Chapter 172, Acts of the 59th
34 Legislature, Regular Session, 1965, provides that
35 district bonds may secure deposits of public funds of
36 this state or political subdivisions of this state.
37 The revised law omits the provisions relating to
38 deposits of state funds by the comptroller because
39 they duplicate, in substance, Section 404.0221,
40 Government Code (enacted in 1995), which lists
41 eligible collateral for deposits of state funds by the
42 comptroller. As to deposits of other funds, this

1 provision duplicates Chapter 2257, Government Code,
2 which governs eligible collateral for deposits of
3 funds of political subdivisions, and permits those
4 deposits to be secured by obligations issued by
5 hospital districts. The omitted law reads:

6 (i) District bonds are eligible to
7 secure deposits of public funds of the state
8 and of municipalities, counties, school
9 districts, and other political subdivisions
10 of the state. The bonds are lawful and
11 sufficient security for deposits to the
12 extent of their value, if accompanied by all
13 unmatured coupons.

14 [Sections 1072.209-1072.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Revised Law

17 Sec. 1072.251. IMPOSITION OF AD VALOREM TAX. (a) The board
18 shall impose a tax on all property in the district subject to
19 district taxation.

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

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

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;

27 (4) acquire sites for additions to the hospital
28 system; and

29 (5) pay the indebtedness issued or assumed by the
30 district. (Acts 59th Leg., R.S., Ch. 172, Secs. 8(a) (part), (c).)

31 Source Law

32 (a) . . . the Board of Directors shall levy a
33 tax . . . on all property subject to taxation within
34 the District.

35 (c) The Board may use the proceeds of this tax
36 for the following purposes:

37 (1) paying the interest on and creating a
38 sinking fund for bonds issued under the provisions of
39 this Act;

40 (2) providing for the operation and
41 maintenance of the hospital district and the hospital
42 system;

43 (3) making improvements and additions to

1 the hospital system;
2 (4) acquiring sites for the additions to
3 the hospital system; and
4 (5) paying the indebtedness issued or
5 assumed by the District.

6 Revisor's Note

7 Section 8(a), Chapter 172, Acts of the 59th
8 Legislature, Regular Session, 1965, provides that the
9 board shall impose a tax after a vote. The revised law
10 omits this provision as executed. The omitted law
11 reads:

12 Sec. 8. (a) After a majority of those
13 persons voting at the election vote for the
14 levy of a tax, [the Board of Directors shall
15 levy a tax]

16 Revised Law

17 Sec. 1072.252. TAX RATE. The board may impose the tax at a
18 rate not to exceed 50 cents on each \$100 valuation of all taxable
19 property in the district. (Acts 59th Leg., R.S., Ch. 172, Sec. 8(a)
20 (part).)

21 Source Law

22 (a) . . . [the Board of Directors shall levy a
23 tax] not to exceed 50 cents on the \$100 valuation on
24 all property subject to taxation within the District.

25 Revised Law

26 Sec. 1072.253. TAX ASSESSOR-COLLECTOR. The tax
27 assessor-collector for Maverick County shall collect taxes for the
28 district. (Acts 59th Leg., R.S., Ch. 172, Sec. 8(d) (part).)

29 Source Law

30 (d) . . . [the tax assessor and collector of the
31 county in which the District is located.] The tax
32 assessor and collector of that county shall collect
33 the taxes for the District. . . .

34 Revisor's Note

35 (End of Subchapter)

36 (1) Sections 8(b) and (d), Chapter 172, Acts of
37 the 59th Legislature, Regular Session, 1965, require
38 the board to impose taxes at a certain time and in a
39 certain manner. The revised law omits those
40 provisions because they were repealed by Section 6(b),
41 Chapter 841, Acts of the 66th Legislature, Regular

1 Session, 1979, which repealed all "general, local, and
2 special laws" that conflicted with that act. The 1979
3 act enacted the Property Tax Code (Title 1, Tax Code),
4 a comprehensive, substantive codification of property
5 tax law and its administration. Title 1, Tax Code,
6 provides the exclusive procedures for the appraisal of
7 property for taxation by a taxing unit, including a
8 hospital district. The omitted law reads:

9 (b) The board shall use the same
10 valuation used by the commissioners court
11 in taxing the property for county purposes
12 which appears on the county tax rolls.

13 (d) On or before October 1 of each
14 year, the Board shall levy the tax and
15 immediately certify the tax rate to the tax
16 assessor and collector of the county in
17 which the District is located. . . . The
18 taxes of the District are subject to the
19 same conditions as the taxes of the county.

20 (2) Section 8(e), Chapter 172, Acts of the 59th
21 Legislature, Regular Session, 1965, provides that the
22 county tax assessor-collector is entitled to a fee as
23 compensation for services. The revised law omits that
24 provision because it was repealed by Section 6(b),
25 Chapter 841, Acts of the 66th Legislature, Regular
26 Session, 1979. See Revisor's Note (1). Section
27 6.27(b), Tax Code, provides for the compensation of a
28 county tax assessor-collector assessing and
29 collecting taxes for another taxing unit. The omitted
30 law reads:

31 (e) The assessor and collector of
32 taxes is entitled to a fee as compensation
33 for his services of not more than one per
34 cent of the total tax collected. The Board
35 shall fix the exact amount of compensation.
36 The tax assessor and collector shall deduct
37 this fee from the payments made to the
38 District of the taxes collected, and
39 deposit that amount in the general fund of
40 the county as a fee of office of the tax
41 assessor and collector.

42 (3) Section 8(f), Chapter 172, Acts of the 59th
43 Legislature, Regular Session, 1965, provides that the
44 district may impose taxes for the entire year in which

1 the district is established. The revised law omits
2 that provision as executed. The omitted law reads:

3 (f) The Board may levy this tax for
4 the entire year in which the District is
5 established to secure funds necessary to
6 initiate the operation of the hospital
7 district.

8 Revisor's Note
9 (End of Chapter)

10 Section 18, Chapter 172, Acts of the 59th
11 Legislature, Regular Session, 1965, provides that
12 proper notice of enactment of the statute was provided
13 in a manner that satisfies the requirements of the
14 Texas Constitution. The revised law omits the
15 provision as executed. The omitted law reads:

16 Sec. 18. The Legislature has found
17 that proper notice has been given in the
18 District affected by this Act in accordance
19 with the requirement of Section 9, Article
20 IX, Constitution of the State of Texas.

21 CHAPTER 1073. NORTH RUNNELS COUNTY HOSPITAL DISTRICT

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7 CHAPTER 1073. NORTH RUNNELS COUNTY HOSPITAL DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Revised Law

10 Sec. 1073.001. DEFINITIONS. In this chapter:

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

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

14 (3) "District" means the North Runnels County Hospital
15 District. (New.)

16 Revisor's Note

17 The definitions of "board," "director," and
18 "district" are added to the revised law for drafting
19 convenience and to eliminate frequent, unnecessary
20 repetition of the substance of the definitions.

21 Revised Law

22 Sec. 1073.002. AUTHORITY FOR CREATION. The North Runnels
23 County Hospital District is created under the authority of Section
24 9, Article IX, Texas Constitution, and has the rights, powers, and
25 duties provided by this chapter. (Acts 61st Leg., R.S., Ch. 206,
26 Sec. 1 (part).)

27 Source Law

28 Sec. 1. Pursuant to authority granted by the
29 provisions of Section 9, Article IX, of the Texas
30 Constitution, North Runnels County Hospital District
31 is hereby authorized to be created and . . . possess
32 such rights, powers, and duties as are hereinafter
33 prescribed.

34 Revised Law

35 Sec. 1073.003. ESSENTIAL PUBLIC FUNCTION. The district
36 performs an essential public function in carrying out the purposes
37 of this chapter. (Acts 61st Leg., R.S., Ch. 206, Sec. 23 (part).)

1 cannot modify constitutional requirements by statute.

2 The omitted law reads:

3 Sec. 24. Nothing in this Act shall be
4 construed to violate any provision of the
5 Federal or State Constitutions, and all
6 acts done under this Act shall be in such
7 manner as will conform thereto, whether
8 expressly provided or not. . . .

9 Revised Law

10 Sec. 1073.006. 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 61st
13 Leg., R.S., Ch. 206, Sec. 22 (part).)

14 Source Law

15 Sec. 22. The support and maintenance of the
16 hospital district shall never become a charge against
17 or obligation of the State of Texas,

18 Revised Law

19 Sec. 1073.007. 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. 206, Sec. 22 (part).)

23 Source Law

24 Sec. 22. . . . nor shall any direct
25 appropriation be made by the Legislature for the
26 construction, maintenance, or improvement of any of
27 the facilities of such district.

28 Revisor's Note
29 (End of Subchapter)

30 Section 3, Chapter 206, Acts of the 61st
31 Legislature, Regular Session, 1969, provides
32 procedures for holding an election on the creation of
33 the district, the imposition of an ad valorem tax, and
34 the assumption of certain debt. Because the creation
35 of the district and the imposition of the tax were
36 approved at the described election, the revised law
37 omits that section as executed. The omitted law reads:

38 Sec. 3. (a) The district shall not
39 be created, nor shall any tax therein be
40 authorized unless and until such creation
41 and such tax are approved by a majority of
42 the qualified property taxpaying electors

1 of the area of the proposed district voting
2 at an election called for that purpose.
3 Such election may be called by the
4 commissioners court of Runnels County or
5 shall be called by said commissioners court
6 upon presentation of a petition therefor
7 signed by at least 100 qualified property
8 taxpaying electors of the area of the
9 proposed district. Such election shall be
10 held not less than 35 nor more than 60 days
11 from the date the election is ordered. The
12 order calling the election shall specify
13 the date, place or places of holding the
14 election, the form of ballot, the presiding
15 judge and alternate judge for each voting
16 place, and provide for clerks as in county
17 elections. The election order may provide
18 that the entire district shall constitute
19 one election precinct or the county
20 election precincts may be combined for
21 elections. Notice of election shall be
22 given by publishing a substantial copy of
23 the election order in a newspaper or
24 newspapers which individually or
25 collectively provide general circulation in
26 the county or district once a week for two
27 consecutive weeks, the first publication to
28 appear at least 30 days prior to the date
29 established for the election. The failure
30 of such election shall not operate to
31 prohibit the calling and holding of
32 subsequent elections for the same purpose;
33 provided, however, that no district
34 election for confirmation can be held
35 within 12 months of any preceding district
36 election for confirmation, and, further
37 provided, if this district is not confirmed
38 within 60 months from the effective date of
39 this Act, this Act is hereby repealed.

40 (b) At the election there shall be
41 submitted to the qualified property
42 taxpaying electors of the area of the
43 proposed district the proposition of
44 whether the hospital district shall be
45 created with authority to levy annual taxes
46 at a rate not to exceed 75 cents on the \$100
47 valuation of taxable property situated
48 within the district subject to hospital
49 district taxation for the purpose of
50 meeting the requirements of the district's
51 bonds, the indebtedness assumed by it and
52 its maintenance and operating expenses, and
53 a majority of the qualified property
54 taxpaying electors voting at said election
55 in favor of the proposition shall be
56 sufficient for its adoption.

57 (c) The form of ballot used at the
58 election on the creation of the district
59 shall be in conformity with Sections 61 and
60 62, Texas Election Code, as amended
61 (Articles 6.05-6.07, Vernon's Texas
62 Election Code), so that ballots may be cast
63 "FOR" or "AGAINST" the following ballot
64 proposition: "The creation of North
65 Runnels County Hospital District, providing
66 for the levy of a tax not to exceed 75 cents
67 on each \$100 valuation, upon all taxable
68 property situated within said district,
69 subject to hospital district taxation, and

1 the assumption by such district of all
2 outstanding bonds and indebtedness
3 heretofore issued and incurred by any city
4 or town in said district for all hospital
5 district purposes.

6 (d) Within 10 days after such
7 election is held, the commissioners court
8 of the county shall convene and canvass the
9 returns of the election, and if a majority
10 of the qualified property taxpaying
11 electors voting at said election vote in
12 favor of the proposition, they shall so find
13 and declare the hospital district
14 established and created.

15 [Sections 1073.008-1073.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Revised Law

18 Sec. 1073.051. BOARD ELECTION; TERM. (a) The board
19 consists of seven directors elected from the district.

20 (b) Unless four-year terms are established under Section
21 285.081, Health and Safety Code:

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

23 (2) a directors' election shall be held on the uniform
24 election date in May of each year.

25 (c) The election order must state the time, place, and
26 purpose of the election. (Acts 61st Leg., R.S., Ch. 206, Secs.
27 4(a), (b) (part).)

28 Source Law

29 Sec. 4. (a) The board of directors consists of
30 seven directors. All directors shall serve for a
31 period of two years and until their successors have
32 been duly elected and have qualified.

33 (b) A regular election for directors shall be
34 held on the first Saturday in May of each year. . . .
35 The election order must state the time, place, and
36 purpose of the election. . . .

37 Revisor's Note

38 (1) Section 4(a), Chapter 206, Acts of the 61st
39 Legislature, Regular Session, 1969, provides that
40 directors serve two-year terms. Section 285.081,
41 Health and Safety Code, applicable to this hospital
42 district, provides a mechanism by which the governing
43 board of a hospital district, on its own motion, may
44 order that the members are to be elected in
45 even-numbered years to serve staggered four-year

1 terms. The revised law is drafted accordingly and adds
2 a reference to Section 285.081, Health and Safety
3 Code, for the convenience of the reader.

4 (2) Section 4(a), Chapter 206, Acts of the 61st
5 Legislature, Regular Session, 1969, provides that the
6 directors serve until their successors are "duly
7 elected and have qualified." The revised law omits
8 that provision because it duplicates Section 17,
9 Article XVI, Texas Constitution, which provides that
10 an officer in this state is to continue to perform the
11 officer's official duties until a successor has
12 qualified.

13 (3) Section 4(b), Chapter 206, Acts of the 61st
14 Legislature, Regular Session, 1969, was amended in
15 1999 to require board elections on the "first Saturday
16 in May." From 1987 to 2003, Section 41.001, Election
17 Code, provided for a uniform election date for all
18 political subdivisions on the first Saturday in May.
19 In Chapter 1315, Acts of the 78th Legislature, Regular
20 Session, 2003, the legislature amended Section 41.001
21 by moving the uniform election date in May to the third
22 Saturday. In Chapter 1, Acts of the 78th Legislature,
23 3rd Called Session, 2003, the legislature amended
24 Section 41.001 by moving the uniform election date in
25 May back to the first Saturday. In Chapter 471, Acts
26 of the 79th Legislature, Regular Session, 2005, the
27 legislature amended Section 41.001 by moving the
28 uniform election date in May to the second Saturday.
29 The revised law substitutes "uniform election date in
30 May" for "first Saturday in May" to reflect these
31 changes while preserving as closely as possible the
32 legislative intent expressed in the 1999 amendment to
33 Section 4(b) that the election be held on the first
34 Saturday in May, which was at that time the uniform

1 election date in May.

2 (4) Section 4(b), Chapter 206, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 board shall order the election of directors and shall
5 issue the order not later than the 45th day before the
6 date of the election. The revised law omits the
7 provision requiring the board to order the election
8 because it duplicates Section 3.004, Election Code,
9 applicable to the district under Section 1.002,
10 Election Code. Section 3.004 requires the governing
11 body of a political subdivision that has elective
12 officers to order the general election for those
13 officers. The revised law also omits the provision
14 stating that the board shall issue the order not later
15 than the 45th day before the election date as
16 superseded by Section 3.005, Election Code, also
17 applicable to the district under Section 1.002,
18 Election Code. Section 3.005, as amended by Chapter
19 925, Acts of the 78th Legislature, Regular Session,
20 2003, requires an election order issued by the
21 authority of a political subdivision to be issued not
22 later than the 62nd day before election day and
23 provides that Section 3.005 supersedes a law outside
24 the Election Code to the extent of any conflict. The
25 omitted law reads:

26 (b) . . . The directors shall order
27 the regular election for directors not
28 later than the 45th day before election day.
29 . . .

30 Revised Law

31 Sec. 1073.052. NOTICE OF ELECTION. Not earlier than the
32 30th day or later than the 10th day before the date of an election of
33 directors, notice of the election shall be published one time in a
34 newspaper or newspapers that individually or collectively have
35 general circulation in the district. (Acts 61st Leg., R.S., Ch.
36 206, Sec. 4(b) (part).)

1 Source Law

2 (b) . . . Notice of each such election shall be
3 published in a newspaper or newspapers which
4 individually or collectively provide general
5 circulation in the district one time not earlier than
6 the 30th day or later than the 10th day prior to the
7 date of the election. . . .

8 Revised Law

9 Sec. 1073.053. QUALIFICATIONS FOR OFFICE. (a) A person may
10 not be appointed as a director unless the person is:

11 (1) a resident of the district; and

12 (2) a qualified voter.

13 (b) A person is not eligible to serve as a director if the
14 person is:

15 (1) the district administrator;

16 (2) a district employee; or

17 (3) a member of the hospital staff. (Acts 61st Leg.,
18 R.S., Ch. 206, Sec. 4(c).)

19 Source Law

20 (c) No person shall be appointed as a member of
21 the board of directors unless that person is a resident
22 of the district and a qualified voter. Neither the
23 administrator, an employee of the district, nor a
24 member of the staff of the hospital shall be eligible
25 to serve as a director.

26 Revised Law

27 Sec. 1073.054. BOND. (a) The board may require all
28 district officers and employees charged with handling money to
29 furnish a good bond for not less than \$5,000 that is:

30 (1) payable to the district;

31 (2) conditioned on the faithful performance of the
32 officer's or employee's duties; and

33 (3) signed by a surety company authorized to do
34 business in this state.

35 (b) The board may pay for the bond with district money.

36 (c) The district shall pay the premiums on the bond. (Acts
37 61st Leg., R.S., Ch. 206, Sec. 4(b) (part).)

38 Source Law

39 (b) . . . the directors may require all officers
40 and employees charged with handling funds to furnish

1 good bonds payable to the district and conditioned
2 upon the faithful performance of their duties, but in
3 no event shall such bond be for less than \$5,000. The
4 board may pay for the bond with district funds. The
5 bonds submitted by officers and employees shall be
6 signed by surety companies authorized to do business
7 in the state and the premiums on the bonds shall be
8 paid by the district. . . .

9 Revisor's Note

10 Section 4(b), Chapter 206, Acts of the 61st
11 Legislature, Regular Session, 1969, requires each
12 director to take the constitutional oath of office.
13 The revised law omits that provision because Section
14 1, Article XVI, Texas Constitution, requires all
15 officers to take the oath (or affirmation) before
16 assuming office. The omitted law reads:

17 (b) . . . Directors of the district
18 shall subscribe to the constitutional oath
19 of office and . . .

20 Revised Law

21 Sec. 1073.055. 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. 206,
24 Sec. 4(b) (part).)

25 Source Law

26 (b) . . . Vacancies in office shall be filled
27 for the unexpired term by the remainder of the
28 directors. . . .

29 Revised Law

30 Sec. 1073.056. OFFICERS. (a) The board shall elect a
31 president and a vice president from among its members.

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

34 (c) Each officer of the board serves for a term of one year.

35 (d) The board shall fill a vacancy in a board office for the
36 unexpired term. (Acts 61st Leg., R.S., Ch. 206, Sec. 4(d) (part).)

37 Source Law

38 (d) The board of directors shall organize by
39 electing one of their number as president and one of
40 their number as vice president. A secretary, who need
41 not be a director, shall be appointed. Officers shall
42 be elected for a term of one year and vacancies shall
43 be filled for the unexpired term by the board of

1 directors. . . .

2 Revised Law

3 Sec. 1073.057. COMPENSATION; EXPENSES. A director or
4 officer serves without compensation but may be reimbursed for
5 actual expenses incurred in the performance of official duties.
6 The expenses must be:

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

8 (2) approved by the board. (Acts 61st Leg., R.S., Ch.
9 206, Sec. 4(d) (part).)

10 Source Law

11 (d) . . . All members of the board of directors
12 and officers shall serve without compensation, but may
13 be reimbursed for actual expenses incurred in the
14 performance of their official duties upon the approval
15 of such expenses by the board of directors and so
16 reported in the minute book of the district or other
17 records of the district.

18 Revisor's Note

19 Section 4(d), Chapter 206, Acts of the 61st
20 Legislature, Regular Session, 1969, requires that
21 approved expenses be reported in the "minute book of
22 the district or other records of the district." The
23 revised law omits the reference to the "minute book of
24 the district" because the minute book is a district
25 record.

26 Revised Law

27 Sec. 1073.058. DISTRICT ADMINISTRATOR; ASSISTANT
28 ADMINISTRATOR. (a) The board may appoint a qualified person as
29 district administrator.

30 (b) The board may appoint one or more assistant
31 administrators.

32 (c) The district administrator and any assistant
33 administrator serve at the will of the board and are entitled to the
34 compensation determined by the board.

35 (d) Before assuming the duties of district administrator,
36 the board may require the administrator to execute a bond payable to
37 the district in an amount set by the board of not less than \$5,000
38 that:

1 (1) is conditioned on the faithful performance of the
2 administrator's duties; and

3 (2) contains other conditions the board may require.

4 (e) The board may pay for the bond with district money.
5 (Acts 61st Leg., R.S., Ch. 206, Sec. 5(b) (part).)

6 Source Law

7 (b) The board of directors may appoint a
8 qualified person to be known as the administrator of
9 the hospital district and may in its discretion
10 appoint an assistant or assistants to the
11 administrator. Such administrator and assistant
12 administrator, if any, shall serve at the will of the
13 board and shall receive such compensation as may be
14 fixed by the board. The board may require the
15 administrator before assuming the administrator's
16 duties to execute a bond payable to the hospital
17 district in an amount to be set by the board of
18 directors, in no event less than \$5,000 conditioned on
19 the faithful performance of the administrator's duties
20 and containing such other conditions as the board may
21 require. The board may pay for the bond with district
22 funds. . . .

23 Revised Law

24 Sec. 1073.059. 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;
28 and

29 (2) direct the affairs of the district. (Acts 61st
30 Leg., R.S., Ch. 206, Sec. 5(b) (part).)

31 Source Law

32 (b) . . . The administrator shall supervise all
33 the work and activities of the district and shall have
34 general direction of the affairs of the district,
35 subject to the limitations as may be prescribed by the
36 board. . . .

37 Revised Law

38 Sec. 1073.060. APPOINTMENT, DISMISSAL, AND RECRUITMENT OF
39 STAFF AND EMPLOYEES. (a) The board, with the district
40 administrator, may appoint doctors to or dismiss doctors from the
41 staff as considered necessary for the efficient operation of the
42 district and may make temporary appointments as warranted.

43 (b) The district may employ fiscal agents, accountants,
44 architects, and attorneys the board considers proper.

1 (c) The board may delegate to the district administrator the
2 authority to hire district employees, including technicians and
3 nurses.

4 (d) The board may spend district money to recruit
5 physicians, nurses, and other trained medical personnel. The board
6 may pay the tuition or other expenses of a full-time medical student
7 or other student in a health occupation who:

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

10 (2) contractually agrees to become a district employee
11 or independent contractor in return for that assistance. (Acts
12 61st Leg., R.S., Ch. 206, Secs. 5(b) (part), (h), 18.)

13 Source Law

14 (b) . . . The board of directors, with the
15 administrator, shall have the authority to appoint to
16 or dismiss from the staff such doctors as it may be
17 deemed necessary for the efficient operation of the
18 district, and may provide for temporary appointments
19 to the staff if warranted by circumstances. The board
20 may delegate to the administrator the authority to
21 employ technicians, nurses, and employees of the
22 district.

23 (h) The board of directors may spend district
24 funds to recruit physicians, nurses, and other trained
25 medical personnel. The board may contract with one or
26 more full-time medical students or other students in a
27 health occupation who are enrolled in good standing in
28 an accredited medical school, college, or university,
29 to pay the student's tuition or other expenses in
30 consideration of the student's contractual agreement
31 to serve as an employee or independent contractor for
32 the district under terms prescribed by the contract.

33 Sec. 18. The district may employ fiscal agents,
34 accountants, architects, and attorneys as the board
35 may consider proper.

36 Revisor's Note

37 Section 5(h), Chapter 206, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that a
39 student who receives assistance from the district must
40 become a district employee "under terms prescribed by
41 the contract." The revised law omits the quoted
42 language because the provisions of a contract between
43 the board and a student apply by their own terms.

1 Revised Law

2 Sec. 1073.061. PERSONNEL CONTRACTS. (a) The board may
3 contract to provide administrative or other personnel for the
4 operation of hospital facilities.

5 (b) The term of a contract may not exceed 25 years. (Acts
6 61st Leg., R.S., Ch. 206, Sec. 5(f) (part).)

7 Source Law

8 (f) The board may enter into one or more
9 contracts to provide administrative and other
10 personnel for the operation of the hospital
11 facilities. The term of a contract may not exceed 25
12 years from the date on which the contract is
13 entered. . . .

14 Revised Law

15 Sec. 1073.062. SENIORITY. The board may:

16 (1) adopt rules related to the seniority of district
17 employees, including rules for a retirement plan based on
18 seniority; and

19 (2) give effect to previous years of service for
20 district employees continuously employed in the operation or
21 management of hospital facilities acquired or constructed by the
22 district. (Acts 61st Leg., R.S., Ch. 206, Sec. 5(a) (part).)

23 Source Law

24 (a) . . . The board is given full authority to
25 establish rules and regulations relating to seniority
26 of employees of the district (including a retirement
27 plan based thereon) and may give effect to previous
28 years of service for those employees who have been
29 continuously employed in the operation or management
30 of the hospital facilities acquired (including those
31 acquired upon the creation thereof by reason of
32 Section 2 of this Act) or constructed by the district.
33 . . .

34 Revisor's Note

35 (1) Section 5(a), Chapter 206, Acts of the 61st
36 Legislature, Regular Session, 1969, refers to "rules
37 and regulations" established by the board. Throughout
38 this chapter, the revised law omits references to
39 "regulations" because under Section 311.005(5),
40 Government Code (Code Construction Act), a rule is
41 defined to include a regulation.

1 (2) Section 5(a), Chapter 206, Acts of the 61st
2 Legislature, Regular Session, 1969, refers to
3 facilities "including those acquired upon the creation
4 thereof by reason of Section 2 of this Act." The
5 revised law omits the quoted language because the
6 relevant portions of Section 2 were omitted for the
7 reason stated in End of Chapter Revisor's Note (1).

8 Revised Law

9 Sec. 1073.063. 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 61st Leg., R.S., Ch.
18 206, Sec. 5(g).)

19 Source Law

20 (g) The board may provide retirement benefits
21 for the employees of the district by establishing or
22 administering a retirement program or electing to
23 participate in the Texas County and District
24 Retirement System or any other statewide retirement
25 system in which the district is eligible to
26 participate.

27 Revisor's Note

28 (End of Subchapter)

29 (1) Section 4(b), Chapter 206, Acts of the 61st
30 Legislature, Regular Session, 1969, states that a
31 person must file a ballot application with the board
32 secretary to be a candidate for director and
33 prescribes a deadline for filing the application. The
34 revised law omits the requirement to file the
35 application with the board secretary because it
36 duplicates Sections 144.003 and 144.004, Election
37 Code. The revised law omits the filing deadline
38 because it is superseded by Section 144.005, Election

1 Code. Section 1.002, Election Code, provides that the
2 Election Code applies to all elections held in this
3 state. The omitted law reads:

4 (b) . . . Any person desiring to have
5 his name printed on the ballot as a
6 candidate for director shall file an
7 application with the secretary of the board
8 of directors at least 31 days prior to the
9 date of the election. . . .

10 (2) Section 4(b), Chapter 206, Acts of the 61st
11 Legislature, Regular Session, 1969, provides that a
12 majority of the directors constitutes a quorum. The
13 revised law omits that provision because it duplicates
14 Section 311.013, Government Code (Code Construction
15 Act), which provides that a quorum of a public body is
16 a majority of the number of members fixed by statute.
17 The omitted law reads:

18 (b) . . . A majority of the directors
19 shall constitute a quorum.

20 [Sections 1073.064-1073.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Revised Law

23 Sec. 1073.101. DISTRICT RESPONSIBILITY. The district has
24 full responsibility for:

25 (1) operating all hospital facilities for providing
26 medical and hospital care for the district's needy inhabitants; and

27 (2) providing medical and hospital care for the
28 district's needy inhabitants. (Acts 61st Leg., R.S., Ch. 206,
29 Secs. 2 (part), 21 (part).)

30 Source Law

31 Sec. 2. . . . Such district shall assume full
32 responsibility for providing medical and hospital care
33 for its needy inhabitants and

34 Sec. 21. . . . The said hospital district shall
35 assume full responsibility for the operation of all
36 hospital facilities for the furnishing of medical and
37 hospital care for its needy inhabitants.

38 Revisor's Note

39 Sections 2 and 21, Chapter 206, Acts of the 61st
40 Legislature, Regular Session, 1969, provide that the

1 district "shall assume" full responsibility for
2 providing medical and hospital care for the district's
3 needy inhabitants and for operating hospital
4 facilities. The revised law substitutes "has" for the
5 quoted language because the duty to assume the
6 responsibility is executed.

7 Revised Law

8 Sec. 1073.102. RESTRICTION ON POLITICAL SUBDIVISION
9 TAXATION AND DEBT. A political subdivision that is located within
10 the district or that has the same boundaries as the district may not
11 impose a tax or issue bonds or other obligations for hospital
12 purposes or to provide medical care. (Acts 61st Leg., R.S., Ch.
13 206, Sec. 21 (part).)

14 Source Law

15 Sec. 21. After creation of the hospital
16 district, no municipality or political subdivision
17 within or having the same boundaries of the district
18 shall have the power to levy taxes or issue bonds or
19 other obligations for hospital purposes or for
20 providing medical care. . . .

21 Revisor's Note

22 (1) Section 21, Chapter 206, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that
24 "[a]fter creation of the hospital district," certain
25 political subdivisions may not levy taxes or issue
26 bonds. The revised law omits the quoted language as
27 executed. In addition, throughout this chapter, the
28 revised law substitutes "impose" for "levy" because,
29 in this context, the terms are synonymous and the
30 former is more commonly used.

31 (2) Section 21, Chapter 206, Acts of the 61st
32 Legislature, Regular Session, 1969, refers to a
33 "municipality or political subdivision." The revised
34 law omits the reference to "municipality" because
35 "municipality" is included in the meaning of
36 "political subdivision."

- 1 (11) community mental health centers;
2 (12) research centers or laboratories; and
3 (13) any other facilities the board considers
4 necessary for hospital care.

5 (c) The district may provide any services or facilities
6 necessary for:

- 7 (1) hospital agencies;
8 (2) extended care facilities; and
9 (3) assisted living or personal care facilities,
10 including retirement benefits, housing, and medical office
11 buildings. (Acts 61st Leg., R.S., Ch. 206, Secs. 2 (part), 11
12 (part).)

13 Source Law

14 Sec. 2. . . . it shall provide for the
15 establishment, administration, maintenance,
16 operation, and financing of a hospital system that may
17 include a medical care system, rural health clinics,
18 outpatient clinics, nursing homes, and home health
19 services, and may provide any services or facilities
20 necessary for hospital agencies, extended care
21 facilities, and assisted living or personal care
22 facilities, including retirement benefits, housing,
23 and medical office buildings by the purchase,
24 construction, acquisition, repair, or renovation of
25 buildings and equipment and the equipping of same and
26 the administration thereof for hospital
27 purposes. . . .

28 Sec. 11. . . . The hospital system may include
29 facilities for domiciliary care of the sick, wounded,
30 and injured, facilities for out-patient clinic or
31 clinics, pharmacies, facilities for geriatric
32 domiciliary care, convalescent home facilities,
33 necessary nurses domiciliaries and training centers,
34 blood banks, community mental health centers, and
35 research centers or laboratories, and any other
36 facilities deemed necessary for hospital care by the
37 directors. . . .

38 Revisor's Note

39 Section 11, Chapter 206, Acts of the 61st
40 Legislature, Regular Session, 1969, refers to the care
41 of the "sick, wounded, and injured." The revised law
42 omits the reference to "wounded" because "wounded" is
43 included in the meaning of "injured."

44 Revised Law

45 Sec. 1073.105. 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 61st Leg., R.S., Ch. 206,
3 Sec. 5(a) (part).)

4 Source Law

5 (a) . . . The district, through its board of
6 directors, shall have the power and authority . . . to
7 promulgate rules and regulations governing the
8 operation of the hospital, hospital system, its staff
9 and its employees.

10 Revisor's Note

11 Section 5(a), Chapter 206, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 board may "promulgate rules" to govern the district.
14 The revised law substitutes "adopt" for "promulgate"
15 because the terms are synonymous and the former is more
16 commonly used.

17 Revised Law

18 Sec. 1073.106. 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 61st
23 Leg., R.S., Ch. 206, Sec. 12 (part).)

24 Source Law

25 Sec. 12. The board of directors of such district
26 shall have the power to prescribe the method and manner
27 of making purchases and expenditures by and for such
28 hospital district, and shall also be authorized to
29 prescribe all accounting and control procedures. . . .

30 Revised Law

31 Sec. 1073.107. DISTRICT PROPERTY, FACILITIES, AND
32 EQUIPMENT. (a) The board shall determine the type, number, and
33 location of buildings required to maintain an adequate hospital
34 system.

35 (b) The board may:

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

38 (2) mortgage or pledge the property as security for

1 the payment of the purchase price.

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

4 (d) The board may sell or otherwise dispose of the
5 district's property, including facilities and equipment. (Acts
6 61st Leg., R.S., Ch. 206, Secs. 5(e), (f) (part), 11 (part).)

7 Source Law

8 [Sec. 5]

9 (e) The board may purchase or lease property,
10 facilities, or equipment for the district to use in the
11 hospital system and may mortgage or pledge the
12 property, facilities, or equipment as security for the
13 payment of the purchase price.

14 (f) . . . The board may transfer district
15 hospital facilities by lease to individuals,
16 corporations, or other legal entities and may sell or
17 otherwise dispose of the district's property,
18 facilities, and equipment.

19 Sec. 11. The board of directors is hereby given
20 complete discretion as to the type of buildings, both
21 as to number and location, required to establish and
22 maintain an adequate hospital system. . . .

23 Revisor's Note

24 (1) Section 11, Chapter 206, Acts of the 61st
25 Legislature, Regular Session, 1969, requires the board
26 to determine the buildings required to "establish and
27 maintain" an adequate hospital system. The revised
28 law omits the reference to establishing the hospital
29 system as executed.

30 (2) Section 11, Chapter 206, Acts of the 61st
31 Legislature, Regular Session, 1969, authorizes the
32 district to lease district facilities "upon terms and
33 conditions considered to be to the best interest of its
34 inhabitants, provided that in no event shall any lease
35 be for a period in excess of 25 years from the date
36 entered." Section 11 also authorizes the district to
37 sell or otherwise dispose of "any property, real or
38 personal, or equipment of any nature upon terms and
39 conditions found by the board to be in the best
40 interest of its inhabitants." Section 12, Chapter
41 206, Acts of the 61st Legislature, Regular Session,

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 petition for review. (Acts 61st Leg., R.S., Ch. 206,
9 Sec. 16.)

10 Source Law

11 Sec. 16. The district shall have the right and
12 power of eminent domain for the purpose of acquiring by
13 condemnation any and all property of any kind and
14 character in fee simple, or any lessor interest
15 therein, within the boundaries of the district
16 necessary to the powers, rights, and privileges
17 conferred by this Act, in the manner provided by the
18 general law with respect to condemnation by counties,
19 provided that the district shall not be required to
20 make deposits in the registry of the trial court of the
21 sum required by Section 21.021, Property Code, or to
22 make bond as therein provided. In condemnation
23 proceedings being prosecuted by the district, the
24 district shall not be required to pay in advance or
25 give bond or other security for costs in the trial
26 court, nor to give any bond otherwise required for the
27 issuance of a temporary restraining order or a
28 temporary injunction nor to give bond for costs or for
29 supersedeas on any appeal or writ of error.

30 Revisor's Note

31 (1) Section 16, Chapter 206, Acts of the 61st
32 Legislature, Regular Session, 1969, provides that the
33 district has the "right and power of eminent domain for
34 the purpose of acquiring [property] by condemnation."
35 The revised law substitutes for the quoted language
36 "may exercise the power of eminent domain to acquire
37 [property]" because the phrases have the same meaning,
38 and the latter phrase is consistent with modern usage
39 in laws relating to eminent domain.

40 (2) Section 16, Chapter 206, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that the
42 district must exercise the power of eminent domain in
43 the manner provided by "the general law with respect to

1 condemnation by counties." The revised law
2 substitutes for the quoted language a reference to
3 Chapter 21, Property Code, because that is the general
4 law governing eminent domain for governmental
5 entities, including counties.

6 (3) Section 16, Chapter 206, Acts of the 61st
7 Legislature, Regular Session, 1969, refers to a "writ
8 of error." The revised law substitutes "petition for
9 review" for "writ of error" because, effective
10 September 1, 1997, the Texas Supreme Court replaced
11 the writ of error procedure with the petition for
12 review procedure. See Rule 53.1, Rules of Appellate
13 Procedure.

14 Revised Law

15 Sec. 1073.109. GIFTS AND ENDOWMENTS. The board may accept
16 for the district a gift or endowment to be held in trust and
17 administered by the board for the purposes and under the
18 directions, limitations, or other provisions prescribed in writing
19 by the donor that are not inconsistent with the proper management
20 and objectives of the district. (Acts 61st Leg., R.S., Ch. 206,
21 Sec. 20.)

22 Source Law

23 Sec. 20. The board of directors of the hospital
24 district is authorized on behalf of such district to
25 accept donations, gifts, and endowments to be held in
26 trust and administered by the board of directors for
27 such purposes and under such directions, limitations,
28 and provisions as may be prescribed in writing by the
29 donor not inconsistent with proper management and
30 object of the hospital district.

31 Revisor's Note

32 Section 20, Chapter 206, Acts of the 61st
33 Legislature, Regular Session, 1969, refers to
34 "donations" and "gifts." The revised law omits the
35 reference to "donations" because "donations" is
36 included in the meaning of "gifts."

37 Revised Law

38 Sec. 1073.110. OPERATING AND MANAGEMENT CONTRACTS. The

1 board may enter into an operating or management contract relating
2 to a district facility. (Acts 61st Leg., R.S., Ch. 206, Sec. 11
3 (part).)

4 Source Law

5 Sec. 11. . . . The district, through its board
6 of directors, is further authorized to enter into an
7 operating or management contract with regard to its
8 facilities or a part thereof, or

9 Revised Law

10 Sec. 1073.111. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
11 HOSPITALIZATION AND TREATMENT. (a) The board may contract with a
12 county or municipality located outside the district's boundaries
13 for the hospitalization of a sick or injured person of that county
14 or municipality.

15 (b) The district 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. 206, Sec. 5(c) (part).)

18 Source Law

19 (c) [Such board] . . . shall be authorized to
20 contract with any county or incorporated municipality
21 located outside its boundaries for the hospitalization
22 of the sick, diseased, or injured persons of any such
23 county or municipality, and shall have the authority
24 to contract with the State of Texas or agencies of the
25 federal government for the hospital treatment of sick,
26 diseased, or injured persons.

27 Revisor's Note

28 (1) Section 5(c), Chapter 206, Acts of the 61st
29 Legislature, Regular Session, 1969, refers to an
30 "incorporated" municipality. The revised law omits
31 the reference to "incorporated" because under the
32 Local Government Code all municipalities must be
33 incorporated.

34 (2) Section 5(c), Chapter 206, Acts of the 61st
35 Legislature, Regular Session, 1969, refers to the
36 treatment of "sick, diseased, or injured persons."
37 The revised law omits the reference to "diseased"
38 because "diseased" is included in the meaning of
39 "sick."

1 Revised Law

2 Sec. 1073.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
3 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
4 political subdivision or governmental agency for the district to
5 provide investigatory or other services for the hospital or welfare
6 needs of district inhabitants. (Acts 61st Leg., R.S., Ch. 206, Sec.
7 5(c) (part).)

8 Source Law

9 (c) Such board shall be authorized to contract
10 with any other political subdivision or governmental
11 agency whereby the district will provide investigatory
12 or other services as to the hospital, or welfare needs
13 of the inhabitants of the district and

14 Revised Law

15 Sec. 1073.113. BIDDING REQUIREMENTS. The district shall
16 comply with the bidding requirements prescribed by Chapter 271,
17 Local Government Code. (Acts 61st Leg., R.S., Ch. 206, Sec. 12
18 (part).)

19 Source Law

20 Sec. 12. . . . The hospital district shall
21 comply with the bidding requirements prescribed by
22 Chapter 271, Local Government Code. . . .

23 Revised Law

24 Sec. 1073.114. PROVISION OF SERVICES OUTSIDE DISTRICT. The
25 district may provide services outside the district's boundaries.
26 (Acts 61st Leg., R.S., Ch. 206, Sec. 5(j).)

27 Source Law

28 (j) The hospital district may provide services
29 outside the boundaries of the district.

30 Revised Law

31 Sec. 1073.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
32 When a patient who resides in the district is admitted to a district
33 facility, the district administrator may have an inquiry made into
34 the circumstances of:

35 (1) the patient; and

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

38 (b) If the district administrator determines that the

1 patient or those relatives cannot pay all or part of the costs of
2 the care and treatment in the hospital, the amount of the costs that
3 cannot be paid becomes a charge against the district.

4 (c) If the district administrator determines that the
5 patient or those relatives can pay for all or part of the costs of
6 the patient's care and treatment, the patient or those relatives
7 shall be ordered to pay the district a specified amount each week
8 for the patient's care and support. The amount ordered must be
9 proportionate to the person's financial ability.

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

14 (e) If there is a dispute as to the ability to pay, or doubt
15 in the mind of the district administrator, the board shall hold a
16 hearing and, after calling witnesses, shall:

17 (1) resolve the dispute or doubt; and

18 (2) issue any appropriate orders.

19 (f) A final order of the board may be appealed to the
20 district court. The substantial evidence rule applies to the
21 appeal. (Acts 61st Leg., R.S., Ch. 206, Sec. 19.)

22 Source Law

23 Sec. 19. Whenever a patient residing within the
24 district has been admitted to the facilities thereof,
25 the administrator may cause inquiry to be made as to
26 the patient's circumstances and those of the relatives
27 of such patient legally liable for the patient's
28 support. If the administrator finds that such patient
29 or said relatives are able to pay for the patient's
30 care and treatment in whole or in part, an order shall
31 be made directing such patient or said relatives to pay
32 to the hospital district for the care and support of
33 such patient a specified sum per week in proportion to
34 their financial ability. The administrator shall have
35 power and authority to collect such sums from the
36 estate of the patient or the patient's relatives
37 legally liable for the patient's support in the manner
38 provided by law for collection of expenses in the last
39 illness of a deceased person. If the administrator
40 finds that such patient or said relatives are not able
41 to pay either in whole or in part for the patient's care
42 and treatment in such hospital, same shall become a
43 charge upon the hospital district as to the amount of
44 the inability to pay. Should there be any dispute as to
45 the ability to pay or doubt in the mind of the
46 administrator, the board of directors shall hear and

1 determine same after calling witnesses, and shall make
2 such order or orders as may be proper. Appeals from
3 the final order of the board shall lie to the district
4 court. The substantial evidence rule shall apply.

5 Revised Law

6 Sec. 1073.116. AUTHORITY TO SUE AND BE SUED. (a) The
7 district, through the board, may sue and be sued.

8 (b) The district is entitled to all causes of action and
9 defenses to which similar authorities are entitled. (Acts 61st
10 Leg., R.S., Ch. 206, Sec. 5(a) (part).)

11 Source Law

12 (a) . . . The district, through its board of
13 directors, shall have the power and authority to sue
14 and be sued, and shall be entitled to all causes of
15 action and defenses enjoyed by similar authorities,
16

17 Revisor's Note
18 (End of Subchapter)

19 Section 12, Chapter 206, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that the
21 provisions of Chapter 2253, Government Code, apply to
22 the district's construction contracts in relation to
23 performance and payment bonds. The revised law omits
24 the reference to Chapter 2253, Government Code,
25 because that chapter applies to the district on its own
26 terms. The omitted law reads:

27 Sec. 12. . . . The provisions of
28 Chapter 2253, Government Code, relating to
29 performance and payment bonds shall apply
30 to construction contracts let by the
31 district. . . .

32 [Sections 1073.117-1073.150 reserved for expansion]

33 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

34 Revised Law

35 Sec. 1073.151. BUDGET. (a) The district administrator
36 shall prepare an annual budget for approval by the board.

37 (b) The proposed budget must contain a complete financial
38 statement of:

- 39 (1) the outstanding obligations of the district;
40 (2) the cash on hand in each district fund;
41 (3) the money received by the district from all

1 sources during the previous year;

2 (4) the money available to the district from all
3 sources during the ensuing year;

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

6 (6) the estimated revenue and balances available to
7 cover the proposed budget;

8 (7) the estimated tax rate required; and

9 (8) the proposed expenditures and disbursements and
10 the estimated receipts and collections for the following fiscal
11 year. (Acts 61st Leg., R.S., Ch. 206, Sec. 6 (part).)

12 Source Law

13 Sec. 6. . . . The administrator shall prepare
14 an annual budget for approval by the board of
15 directors. The budget shall also contain a complete
16 financial statement of the district showing all
17 outstanding obligations of the district, the cash on
18 hand to the credit of each and every fund of the
19 district, the funds received from all sources during
20 the previous year, the funds available from all
21 sources during the ensuing year, with balances
22 expected at end of the year in which the budget is
23 being prepared, and estimated revenues and balances
24 available to cover the proposed budget and the
25 estimated tax rate which will be required, and the
26 proposed expenditures and disbursements and the
27 estimated receipts and collections for the following
28 fiscal year. . . .

29 Revised Law

30 Sec. 1073.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
31 The board shall hold a public hearing on the proposed annual budget.

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

34 (c) Any district resident is entitled to be present and
35 participate at the hearing.

36 (d) At the conclusion of the hearing, the board shall adopt
37 a budget by acting on the budget proposed by the district
38 administrator. The board may make any changes in the proposed
39 budget that the board judges to be in the interests of the
40 district's residents and that the law warrants. (Acts 61st Leg.,
41 R.S., Ch. 206, Sec. 6 (part).)

1 (1) when revenue bonds of the district are
2 outstanding; or

3 (2) more than once in a 24-month period. (Acts 61st
4 Leg., R.S., Ch. 206, Sec. 6 (part).)

5 Source Law

6 Sec. 6. The district shall be operated on the
7 basis of a fiscal year established by the board of
8 directors. The fiscal year may not be changed when
9 revenue bonds are outstanding or more than one time in
10 a 24-month period. . . .

11 Revised Law

12 Sec. 1073.156. ANNUAL AUDIT. The board annually shall have
13 an audit made of the district's financial condition. (Acts 61st
14 Leg., R.S., Ch. 206, Sec. 6 (part).)

15 Source Law

16 Sec. 6. . . . The board shall cause an annual
17 audit to be made of the financial condition of said
18 district,

19 Revised Law

20 Sec. 1073.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
21 RECORDS. The annual audit and other district records shall be open
22 to inspection at the district's principal office. (Acts 61st Leg.,
23 R.S., Ch. 206, Sec. 6 (part).)

24 Source Law

25 Sec. 6. . . . [The board shall cause an annual
26 audit to be made of the financial condition of said
27 district,] which, together with other records of the
28 district, shall be open to inspection at the principal
29 office of the district. . . .

30 Revised Law

31 Sec. 1073.158. FINANCIAL REPORT. As soon as practicable
32 after the close of each fiscal year, the district administrator
33 shall prepare for the board:

34 (1) a complete sworn statement of all district money;
35 and

36 (2) a complete account of the disbursements of that
37 money. (Acts 61st Leg., R.S., Ch. 206, Sec. 6 (part).)

38 Source Law

39 Sec. 6. . . . As soon as practicable after the
40 close of each fiscal year, the administrator shall

1 prepare for the board a full sworn statement of all
2 money belonging to the district and a full account of
3 the disbursements of same.

4 Revised Law

5 Sec. 1073.159. DEPOSITORY. (a) The board shall select one
6 or more banks to serve as a depository for district money.

7 (b) District money, other than money invested as provided by
8 Section 1073.160(b), and money transmitted to a bank for payment of
9 bonds or obligations issued by the district, shall be deposited as
10 received with the depository bank and shall remain on deposit.

11 (c) This chapter, including Subsection (b), does not limit
12 the power of the board to place a part of district money on time
13 deposit or to purchase certificates of deposit.

14 (d) Membership on the district's board of an officer or
15 director of a bank does not disqualify the bank from being
16 designated as a depository bank. (Acts 61st Leg., R.S., Ch. 206,
17 Sec. 13.)

18 Source Law

19 Sec. 13. The board of directors of the district
20 shall name one or more banks to serve as depository for
21 the funds of the district. All funds of the district,
22 except those invested as provided in Section 5, and
23 those transmitted to a bank or banks as payment for
24 bonds or obligations issued by the district, shall be
25 deposited as received with the depository bank and
26 shall remain on deposit, provided that nothing herein
27 shall limit the power of the board to place a portion
28 of such funds on time deposit or purchase certificates
29 of deposit. Membership on the board of directors of an
30 officer or director of a bank shall not disqualify such
31 bank from being designated as depository.

32 Revised Law

33 Sec. 1073.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
34 Except as otherwise provided by this chapter, the district may not
35 incur an obligation payable from district revenue other than the
36 revenue on hand or to be on hand in the current and following
37 district fiscal years.

38 (b) The board may invest operating, depreciation, or
39 building reserves only in securities described by Subchapter A,
40 Chapter 1505, Government Code, or in accordance with Chapter 2256,
41 Government Code. (Acts 61st Leg., R.S., Ch. 206, Secs. 5(a) (part),
42 12 (part).)

1 Source Law

2 Sec. 5. (a) . . . in no event shall any
3 operating, depreciation, or building fund reserves be
4 invested in any funds or securities other than those
5 specified in Articles 835 or 837, Revised Statutes or
6 Chapter 2256, Government Code. . . .

7 Sec. 12. . . . Except as permitted in the
8 preceding sentence and as permitted by Sections 9 and
9 10, the district may incur no obligation payable from
10 any revenues of the district, taxes or otherwise
11 except those on hand or to be on hand within the then
12 current and following fiscal year of the district.

13 Revisor's Note

14 (1) Section 5(a), Chapter 206, Acts of the 61st
15 Legislature, Regular Session, 1969, refers to
16 "Articles 835 or 837, Revised Statutes." Article 835
17 was revised in 1999 as Subchapter A, Chapter 1505,
18 Government Code. Article 837 was impliedly repealed
19 by the enactment of the Public Funds Investment Act of
20 1987 (Article 842a-2, Vernon's Texas Civil Statutes),
21 which was revised in 1993 as Chapter 2256, Government
22 Code. The revised law is drafted accordingly.

23 (2) Section 12, Chapter 206, Acts of the 61st
24 Legislature, Regular Session, 1969, states that
25 "[e]xcept as permitted in the preceding sentence and
26 . . . Sections 9 and 10," the district may not incur
27 certain obligations. The "preceding sentence" is
28 omitted from the revised law for the reason stated in
29 Revisor's Note (2) to Section 1073.107. The other
30 referenced provisions are revised in Subchapter E.
31 However, other provisions of the source law, including
32 Section 20a (revised in this chapter as Section
33 1073.161), clearly give the district the authority to
34 incur additional obligations. Therefore, the revised
35 law substitutes "[e]xcept as otherwise provided by
36 this chapter" for the quoted language.

37 Revised Law

38 Sec. 1073.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
39 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 in the
7 next 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 61st
15 Leg., R.S., Ch. 206, Sec. 20a.)

16 Source Law

17 Sec. 20a. (a) The board may borrow money at a
18 rate not to exceed the maximum annual percentage rate
19 allowed by law for district obligations at the time of
20 the loan.

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

22 (1) the revenues of the district that are
23 not pledged to pay the bonded indebtedness of the
24 district;

25 (2) district taxes to be levied by the
26 district during the 12-month period following the date
27 of the pledge that are not pledged to pay the principal
28 of or interest on district bonds; or

29 (3) district bonds that have been
30 authorized but not sold.

31 (c) A loan for which taxes or bonds are pledged
32 shall mature not later than the first anniversary of
33 the date on which the loan is made. A loan for which
34 district revenues are pledged shall mature not later
35 than the fifth anniversary of the date on which the
36 loan is made.

37 [Sections 1073.162-1073.200 reserved for expansion]

38 SUBCHAPTER E. BONDS

39 Revised Law

40 Sec. 1073.201. GENERAL OBLIGATION BONDS. The board may
41 issue general obligation bonds in the name and on the faith and
42 credit of the district to:

43 (1) purchase, construct, acquire, repair, or renovate
44 buildings or improvements;

1 (2) equip buildings or improvements for hospital
2 purposes; or

3 (3) acquire and operate a mobile emergency medical or
4 air ambulance service. (Acts 61st Leg., R.S., Ch. 206, Sec. 9(a).)

5 Source Law

6 Sec. 9. (a) The board of directors may issue
7 general obligation bonds in the name and upon the faith
8 and credit of such hospital district to:

9 (1) purchase, construct, acquire, repair,
10 or renovate buildings or improvements;

11 (2) equip buildings or improvements for
12 hospital purposes; or

13 (3) acquire and operate a mobile emergency
14 medical or air ambulance service.

15 Revised Law

16 Sec. 1073.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
17 the time general obligation bonds are issued by the district under
18 Section 1073.201, the board shall impose an ad valorem tax at a rate
19 sufficient to create an interest and sinking fund to pay the
20 principal of and interest on the bonds as the bonds mature.

21 (b) The tax required by this section together with any other
22 ad valorem tax the district imposes may not in any year exceed the
23 rate approved by the voters at the election authorizing the
24 imposition of the tax. (Acts 61st Leg., R.S., Ch. 206, Sec. 9(b)
25 (part).)

26 Source Law

27 (b) At the time of the issuances of any general
28 obligation bonds by the district a tax shall be levied
29 by the board sufficient to create an interest and
30 sinking fund to pay the interest on and principal of
31 said bonds as same mature, providing such tax,
32 together with any other taxes levied for said
33 district, shall not exceed the rate of tax approved by
34 the voters at the election authorizing the levy of
35 taxes. . . .

36 Revisor's Note

37 Section 9(b), Chapter 206, Acts of the 61st
38 Legislature, Regular Session, 1969, requires the
39 district to levy a tax to pay the principal of and
40 interest on bonds. The revised law specifies that the
41 tax is an "ad valorem" tax because it is clear from the
42 source law that the tax is a property tax and "ad

1 valorem" is the term most commonly used to refer to a
2 property tax.

3 Revised Law

4 Sec. 1073.203. GENERAL OBLIGATION BOND ELECTION. (a) The
5 district may issue general obligation bonds only if the bonds are
6 authorized by a majority of the district voters voting at an
7 election held for that purpose.

8 (b) The board may order a bond election. The order calling
9 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 (c) Notice of a bond election shall be given as provided by
16 Section 1251.003, Government Code.

17 (d) The board shall declare the results of the election.
18 (Acts 61st Leg., R.S., Ch. 206, Sec. 9(b) (part).)

19 Source Law

20 (b) . . . The district may issue general
21 obligation bonds only if the bonds are authorized by a
22 majority of the qualified voters of the district
23 voting at an election called and held for the purpose.
24 The board may order a bond election. The order calling
25 the election shall state the nature and date of the
26 election, the hours during which the polls will be
27 open, the location of the polling places, the amounts
28 of the bonds to be authorized, and the maximum maturity
29 of the bonds. Notice of a bond election shall be given
30 as provided for by Article 704, Revised Statutes. The
31 board shall canvass the returns and declare the
32 results of the election. The election shall be
33 conducted in accordance with the general laws of Texas
34 pertaining to general elections, except as modified by
35 the provisions of this Act.

36 Revisor's Note

37 (1) Section 9(b), Chapter 206, Acts of the 61st
38 Legislature, Regular Session, 1969, refers to a
39 majority vote of the "qualified" voters. The revised
40 law omits "qualified" as unnecessary in this context
41 because Chapter 11, Election Code, governs eligibility
42 to vote in an election in this state and allows only

1 "qualified" voters who are residents of the territory
2 covered by the election to vote in an election.

3 (2) Section 9(b), Chapter 206, Acts of the 61st
4 Legislature, Regular Session, 1969, refers to an
5 election "called and held." The revised law omits
6 references to "calling" an election because, in this
7 context, "calling" an election is included in the
8 meaning of "holding" an election. Under Chapter 3,
9 Election Code, all elections must be ordered (called)
10 before they may be held.

11 (3) Section 9(b), Chapter 206, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that
13 "[t]he board shall canvass the returns" of a bond
14 election. The revised law omits this requirement
15 because it duplicates Section 67.002, Election Code,
16 which requires the governing body of a political
17 subdivision that orders an election to canvass the
18 returns.

19 (4) Section 9(b), Chapter 206, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to Article
21 704, Revised Statutes, which specifies certain notice
22 requirements for a bond election. That provision was
23 codified in 1999 as Section 1251.003, Government Code.
24 The revised law is drafted accordingly.

25 (5) Section 9(b), Chapter 206, Acts of the 61st
26 Legislature, Regular Session, 1969, provides that an
27 election under Section 9(b) "shall be conducted in
28 accordance with the general laws of Texas pertaining
29 to general elections, except as modified by the
30 provisions of this Act." The revised law omits the
31 quoted language because Section 1.002, Election Code,
32 provides that the Election Code applies to all
33 elections held in this state. An exception to the
34 application of the Election Code would apply by its own

1 terms.

2 Revised Law

3 Sec. 1073.204. 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 purposes;

7 (2) acquire sites to be used for hospital purposes; or

8 (3) acquire and operate a mobile emergency medical or
9 air ambulance service.

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 hospitals.

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 and in accordance
16 with the procedures and requirements prescribed by Sections
17 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
18 and Safety Code, for issuance of revenue bonds by a county hospital
19 authority. (Acts 61st Leg., R.S., Ch. 206, Secs. 9(c), 10 (part).)

20 Source Law

21 [Sec. 9]

22 (c) The district may issue revenue bonds for a
23 purpose described by Subsection (a) of this section.
24 The bonds shall be payable from and secured by a pledge
25 or all or part of the revenues derived from the
26 operation of the district's hospital system. The bonds
27 may be additionally secured by a mortgage or deed of
28 trust on all or part of the district's property. The
29 revenue bonds shall be issued in the manner provided by
30 Sections 264.042, 264.043, 264.046, 264.047, 264.048,
31 and 264.049, Health and Safety Code, for the issuance
32 of revenue bonds by county hospital authorities.

33 Sec. 10. In addition to the power to issue bonds
34 payable from taxes levied by the district, as
35 contemplated by the preceding section, the board of
36 directors is further authorized to issue and . . .
37 revenue bonds for purchasing, constructing,
38 acquiring, repairing, equipping, or renovating
39 buildings and improvements for hospital purposes, and
40 for acquiring sites therefor, such bonds to be payable
41 from and secured by a pledge of all or any part of the
42 revenues of the district to be derived from the
43 operation of its hospital or hospitals, and such bonds
44 may be additionally secured by a mortgage or deed of
45 trust lien on any part or all of its properties. Such
46 bonds shall be issued in the manner and in accordance
47 with the procedures and requirements specified for the

1 issuance of revenue bonds by county hospital
2 authorities in Sections 264.042, 264.043, 264.046,
3 264.047, and 264.048, Health and Safety Code.

4 Revised Law

5 Sec. 1073.205. REFUNDING BONDS. (a) The board may issue
6 refunding bonds to refund outstanding bonds issued by the district.

7 (b) A refunding bond may be:

8 (1) sold, with the proceeds of the refunding bonds
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 61st
12 Leg., R.S., Ch. 206, Secs. 9(d) (part), 10 (part).)

13 Source Law

14 [Sec. 9]

15 (d) Refunding bonds of the district may be
16 issued for the purpose of refunding and paying off any
17 outstanding indebtedness issued. Such refunding bonds
18 may be sold and the proceeds therefrom applied to the
19 payment of outstanding indebtedness, or may be
20 exchanged in whole or in part for not less than a like
21 principal amount of such outstanding indebtedness
22

23 Sec. 10. . . . [the board of directors is
24 further authorized to issue and] to refund any
25 previously issued [revenue bonds]

26 Revisor's Note

27 (1) Section 9(d), Chapter 206, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that
29 refunding bonds must bear interest at the same or a
30 lower rate than the debt refunded unless a savings is
31 shown. The revised law omits the provision because it
32 has been superseded by the enactment of the maximum
33 interest rate provision found in Section 1204.006,
34 Government Code. That section reflects the 1981
35 amendment of Chapter 3, Acts of the 61st Legislature,
36 Regular Session, 1969 (Article 717k-2, Vernon's Texas
37 Civil Statutes, now Chapter 1204, Government Code), by
38 Section 1, Chapter 61, Acts of the 67th Legislature,
39 Regular Session, 1981, and permits a public agency,
40 including a hospital district, to issue public
41 securities at any net effective interest rate of 15

1 percent or less. Section 1204.006, Government Code,
2 applies to district bonds by application of Section
3 1204.001, Government Code. The omitted law reads:

4 (d) . . . provided that, if refunding
5 bonds are to be exchanged for a like amount
6 of said outstanding indebtedness, such
7 refunding bonds shall bear interest at the
8 same or lower rate than borne by the debt
9 refunded, unless it is shown mathematically
10 that a saving will result in the total
11 amount of interest to be paid on said
12 refunding bonds, and provided further that
13

14 (2) Section 9(d), Chapter 206, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that
16 refunding bonds sold to pay outstanding indebtedness
17 must be issued and payments made in the manner
18 specified by Chapter 503, Acts of the 54th
19 Legislature, Regular Session, 1955, as amended
20 (Article 717k, Vernon's Texas Civil Statutes).
21 Article 717k was codified in 1999 as Chapter 1207,
22 Government Code. The revised law omits the provision
23 because Chapter 1207, Government Code, applies to the
24 district by its own terms under Section 1207.001,
25 Government Code. The omitted law reads:

26 (d) . . . if such refunding bonds are
27 to be sold and the proceeds thereof applied
28 to the payment of any such outstanding
29 indebtedness, same shall be issued and
30 payments made in the manner specified by
31 Chapter 503, Acts of the 54th Legislature,
32 Regular Session, 1955, as amended (Article
33 717k, Vernon's Texas Civil Statutes).

34 Revised Law

35 Sec. 1073.206. MATURITY OF BONDS. District bonds must
36 mature not later than 40 years after the date of issuance. (Acts
37 61st Leg., R.S., Ch. 206, Sec. 9(e) (part).)

38 Source Law

39 (e) Bonds of the district . . . shall mature
40 within 40 years of their date,

41 Revised Law

42 Sec. 1073.207. EXECUTION OF BONDS. (a) The board president
43 shall execute district bonds in the district's name.

1 (b) The board secretary shall countersign district bonds in
2 the manner provided by Chapter 618, Government Code. (Acts 61st
3 Leg., R.S., Ch. 206, Sec. 9(e) (part).)

4 Source Law

5 (e) [Bonds of the district] . . . shall be
6 executed in the name of the hospital district and in
7 its behalf by the president of the board and
8 countersigned by the secretary in the manner provided
9 by Chapter 204, Acts of the 57th Legislature, Regular
10 Session, 1961, as amended (Article 717j-1, Vernon's
11 Texas Civil Statutes), and

12 Revisor's Note

13 (1) Section 9(e), Chapter 206, Acts of the 61st
14 Legislature, Regular Session, 1969, refers to Chapter
15 204, Acts of the 57th Legislature, Regular Session,
16 1961, as amended (Article 717j-1, Vernon's Texas Civil
17 Statutes). That statute was codified in 1999 as
18 Chapter 618, Government Code, and the revised law is
19 drafted accordingly.

20 (2) Section 9(e), Chapter 206, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that
22 district bonds must bear interest at a rate not to
23 exceed that provided by Chapter 3, Acts of the 61st
24 Legislature, Regular Session, 1969 (Article 717k-2,
25 Vernon's Texas Civil Statutes). The revised law omits
26 that provision because the maximum interest rate noted
27 in Chapter 3 was revised in 1999 as Section 1204.006,
28 Government Code, and Section 1204.006 applies to the
29 district by its own terms by application of Section
30 1204.001, Government Code. The omitted law reads:

31 (e) [Bonds of the district] shall
32 bear interest not to exceed the amount
33 provided by Chapter 3, Acts of the 61st
34 Legislature, Regular Session, 1969 (Article
35 717k-2, Vernon's Texas Civil Statutes),
36

37 (3) Section 9(e), Chapter 206, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that the
39 district bonds are subject to the law governing
40 counties that relates to bond approval by the attorney

1 general and registration of the bonds by the
2 comptroller. Section 9(e) also provides that after
3 approval and registration the bonds are "incontestable
4 for any cause." The revised law omits those provisions
5 as superseded by Chapter 1202, Government Code
6 (enacted as Article 3, Chapter 53, Acts of the 70th
7 Legislature, 2nd Called Session, 1987). Section
8 1202.003(a), Government Code, requires bonds to be
9 submitted to the attorney general. Section
10 1202.003(b), Government Code, provides for approval of
11 the bonds by the attorney general and requires the
12 attorney general to submit the approved bonds to the
13 comptroller for registration. Section 1202.005,
14 Government Code, requires registration of district
15 bonds by the comptroller. Section 1202.006, Government
16 Code, provides that after approval and registration
17 the bonds are incontestable and binding obligations.
18 Chapter 1202, Government Code, applies to district
19 bonds by application of Section 1202.001, Government
20 Code. The omitted law reads:

21 (e) [Bonds of the district] . . .
22 shall be subject to the same requirements in
23 the matter of approval by the Attorney
24 General of Texas and registration by the
25 Comptroller of Public Accounts of the State
26 of Texas as are by law provided for approval
27 and registration of bonds issued by
28 counties. Upon the approval of such bonds
29 by the attorney general and registration by
30 the comptroller, the same shall be
31 incontestable for any cause.

32 Revised Law

33 Sec. 1073.208. BONDS EXEMPT FROM TAXATION. The following
34 are exempt from taxation by this state or a political subdivision of
35 this state:

- 36 (1) bonds issued or assumed by the district;
37 (2) the transfer and issuance of the bonds; or
38 (3) profits made in the sale of the bonds. (Acts 61st
39 Leg., R.S., Ch. 206, Sec. 23 (part).)

1 Source Law

2 Sec. 23. . . . any bonds issued or assumed by it
3 and their transfer and the issuance therefrom,
4 including any profits made in the sale thereof, shall
5 at all times be free from taxation by the state or any
6 municipality or political subdivision thereof.

7 Revisor's Note

8 Section 23, Chapter 206, Acts of the 61st
9 Legislature, Regular Session, 1969, refers to "any
10 municipality or political subdivision." The revised
11 law omits "municipality" because that term is included
12 in the meaning of "political subdivision."

13 Revisor's Note
14 (End of Subchapter)

15 (1) Section 15, Chapter 206, Acts of the 61st
16 Legislature, Regular Session, 1969, provides that
17 district bonds are authorized investments for certain
18 entities. The revised law omits the provision as
19 unnecessary. As to several of the entities listed,
20 Section 15 has been superseded and impliedly repealed.
21 Investments in securities by banks are regulated by
22 Section 34.101, Finance Code (enacted in 1995 as
23 Section 5.101, Texas Banking Act (Article 342-5.101,
24 Vernon's Texas Civil Statutes)). Investments in
25 securities by savings banks are regulated by Section
26 93.001(c)(10), Finance Code (enacted in 1993 as
27 Section 7.15(10), Texas Savings Bank Act (Article
28 489e, Vernon's Texas Civil Statutes)). Investments in
29 securities by trust companies are regulated by Section
30 184.101, Finance Code (enacted in 1997 as Section
31 5.101, Texas Trust Company Act (Article 342a-5.101,
32 Vernon's Texas Civil Statutes)). Investments in
33 securities by savings and loan associations are
34 regulated by Sections 63.002 and 64.001, Finance Code.
35 As to the remaining entities listed, Section 15 is
36 superseded by Section 1201.041, Government Code,
37 enacted as Section 9, Bond Procedures Act of 1981

1 (Article 717k-6, Vernon's Texas Civil Statutes).
2 Section 1201.041, Government Code, applies to district
3 bonds by application of Section 1201.002, Government
4 Code. The revised law omits the reference to public
5 funds of this state because it has been superseded by
6 Section 404.024, Government Code (enacted in 1985 as
7 Section 2.014, Treasury Act (Article 4393-1, Vernon's
8 Texas Civil Statutes)), which governs the investment
9 of state funds. Section 404.024(b)(10), Government
10 Code, authorizes the investment of state funds in
11 obligations of political subdivisions, including
12 hospital districts. The omitted law reads:

13 Sec. 15. All bonds issued hereunder
14 by the district shall be and are hereby
15 declared to be legal and authorized
16 investments of banks, savings banks, trust
17 companies, building and loan associations,
18 savings and loan associations, insurance
19 companies, trustees, and sinking funds of
20 cities, towns, villages, counties, school
21 districts, or other political subdivisions
22 of the State of Texas, and for all public
23 funds of the State of Texas or its agencies
24 including the state permanent school
25 fund. . . .

26 (2) Section 15, Chapter 206, Acts of the 61st
27 Legislature, Regular Session, 1969, provides that
28 district bonds may secure deposits of public funds of
29 this state or political subdivisions of this state.
30 The revised law omits the provisions as impliedly
31 repealed by Section 404.0221, Government Code (enacted
32 in 1995), which lists eligible collateral for deposits
33 of state funds by the comptroller, and by Chapter 2257,
34 Government Code (enacted in 1989 as Article 2529d,
35 Vernon's Texas Civil Statutes), which governs eligible
36 collateral for deposits of funds of other public
37 agencies, including political subdivisions. The
38 omitted law reads:

39 Sec. 15. . . . Such bonds and
40 indebtedness shall be eligible to secure
41 deposit of public funds of the State of
42 Texas and public funds of cities, towns,

1 villages, counties, school districts, or
2 other political subdivisions or
3 corporations of the State of Texas, and
4 shall be lawful and sufficient security for
5 said deposits to the extent of their value
6 when accompanied by all unmatured coupons
7 appurtenant thereto.

8 [Sections 1073.209-1073.250 reserved for expansion]

9 SUBCHAPTER F. TAXES

10 Revised Law

11 Sec. 1073.251. 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 board may impose the tax to:

15 (1) pay the interest on and create a sinking fund for
16 bonds and other obligations issued or assumed by the district for
17 hospital purposes;

18 (2) provide for the operation and maintenance of the
19 district 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.

24 (c) The board may not impose a tax to pay the principal of or
25 interest on revenue bonds. (Acts 61st Leg., R.S., Ch. 206, Secs. 14
26 (part), 17(b) (part).)

27 Source Law

28 Sec. 14. The board of directors shall annually
29 levy a tax . . . for the purpose of (1) paying the
30 interest on and creating a sinking fund for bonds and
31 other obligations which may be issued or assumed by the
32 hospital district for hospital purposes as herein
33 provided; (2) providing for the operation and
34 maintenance of the hospital district and hospital
35 system; and (3) for the purpose of making further
36 improvements and additions to the hospital system, and
37 for the acquisition of necessary sites therefor by
38 purchase, lease or condemnation. . . .

39 [Sec. 17]

40 (b) The board of directors may annually impose
41 property taxes . . . of all taxable property in the
42 district. The taxes may be used to pay for
43 indebtedness issued or assumed by the district and for
44 the maintenance and operating expenses of the
45 district. The district may not impose taxes to pay the
46 principal of or interest on revenue bonds. . . .

1 Revised Law

2 Sec. 1073.252. 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 61st
9 Leg., R.S., Ch. 206, Secs. 14 (part), 17(b) (part).)

10 Source Law

11 Sec. 14. [The board of directors shall annually
12 levy a tax] not to exceed the amount hereinabove
13 permitted In setting such tax rate the board
14 shall take into consideration the income of the
15 district from sources other than taxation. . . .

16 [Sec. 17]

17 (b) . . . [The board may impose taxes] in an
18 amount not to exceed the limit approved by the voters
19 at the election authorizing the levy of taxes. The tax
20 rate for all purposes may not exceed 75 cents on each
21 \$100 valuation of all taxable property in the
22 district. . . .

23 Revisor's Note

24 Section 14, Chapter 206, Acts of the 61st
25 Legislature, Regular Session, 1969, requires the board
26 to levy the tax and to certify the tax rate to the tax
27 assessor-collector. The revised law omits that
28 provision because Section 26.05(a), Tax Code, requires
29 the governing body of a taxing unit to adopt a tax rate
30 for the current tax year and to notify the tax assessor
31 of that rate. The omitted law reads:

32 Sec. 14. . . . Upon determination of
33 the amount of tax required to be levied, the
34 board shall make such levy and certify the
35 same to the tax assessor-collector of said
36 district.

37 Revised Law

38 Sec. 1073.253. TAX ASSESSOR-COLLECTOR. The board may
39 provide for the appointment of a tax assessor-collector for the
40 district or may contract for the assessment and collection of taxes
41 as provided by the Tax Code. (Acts 61st Leg., R.S., Ch. 206, Sec.

1 17(b) (part).)

2 Source Law

3 (b) . . . The board may provide for the
4 appointment of a tax assessor-collector for the
5 district or may contract for the assessment and
6 collection of taxes as provided by the Tax Code.

7 Revisor's Note
8 (End of Subchapter)

9 (1) Section 5(i), Chapter 206, Acts of the 61st
10 Legislature, Regular Session, 1969, authorizes the
11 board to institute a suit to enforce the payment of
12 taxes and to foreclose liens to secure that payment.
13 The revised law omits that provision because it
14 duplicates Chapter 33, Tax Code, which authorizes a
15 taxing unit of government to file suit to enforce the
16 payment of taxes and to foreclose a lien to secure that
17 payment. The omitted law reads:

18 (i) The board may institute a suit to
19 enforce the payment of taxes and to
20 foreclose liens to secure the payment of
21 taxes due to the district.

22 (2) Section 17(a), Chapter 206, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that the
24 district may impose taxes for the entire year in which
25 the district is created. The revised law omits that
26 provision as executed. The omitted law reads:

27 Sec. 17. (a) The directors shall have
28 the authority to levy taxes for the entire
29 year in which the district is established as
30 the result of the election herein provided.
31 . . .

32 (3) Section 17(a), Chapter 206, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that
34 district taxes "shall be assessed and collected as
35 provided" by Section 17(b). Section 17(b) provides
36 that the Tax Code governs the appraisal, assessment,
37 and collection of district taxes. The revised law
38 omits those provisions because Section 1.02, Tax Code,
39 requires all taxing units of government to administer
40 the assessment and collection of an ad valorem tax in

1 conformity with Title 1, Tax Code. The omitted law
2 reads:

3 (a) . . . All taxes of the district
4 shall be assessed and collected as provided
5 in Subsection (b) hereof.

6 (b) . . . The Tax Code governs the
7 appraisal, assessment, and collection of
8 district taxes. . . .

9 [Sections 1073.254-1073.300 reserved for expansion]

10 SUBCHAPTER G. DISSOLUTION

11 Revised Law

12 Sec. 1073.301. DISSOLUTION; ELECTION. (a) The district
13 may be dissolved only on approval of a majority of the district
14 voters voting in an election held for that purpose.

15 (b) The board may order an election on the question of
16 dissolving the district and disposing of the district's assets and
17 obligations.

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

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

23 (1) the nature of the election, including the
24 proposition to appear on the ballot;

25 (2) the date of the election;

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

27 (4) the location of the polling places.

28 (e) Section 41.001(a), Election Code, does not apply to an
29 election ordered under this section. (Acts 61st Leg., R.S., Ch.
30 206, Secs. 20b(a), (b), (c) (part).)

31 Source Law

32 Sec. 20b. (a) The district may be dissolved
33 only if the dissolution is approved by a majority of
34 the qualified voters of the district voting in an
35 election called and held for that purpose.

36 (b) The board may order an election on the
37 question of dissolving the district and disposing of
38 the district's assets and obligations. The board shall
39 order an election if the board receives a petition
40 requesting an election that is signed by a number of
41 residents of the district equal to at least 15 percent
42 of the registered voters in the district.

1 (c) . . . Section 41.001(a), Election Code,
2 does not apply to an election ordered under this
3 section. The order calling the election shall state:
4 (1) the nature of the election, including
5 the proposition that is to appear on the ballot;
6 (2) the date of the election;
7 (3) the hours during which the polls will
8 be open; and
9 (4) the location of the polling places.

10 Revisor's Note

11 (1) Section 20b(a), Chapter 206, Acts of the
12 61st Legislature, Regular Session, 1969, provides for
13 dissolution of the district if approved by a majority
14 of the "qualified" voters. The revised law omits
15 "qualified" for the reason stated in Revisor's Note
16 (1) to Section 1073.203.

17 (2) Section 20b(a), Chapter 206, Acts of the
18 61st Legislature, Regular Session, 1969, provides that
19 the district may be dissolved if authorized at an
20 election "called and held" for that purpose. The
21 revised law omits the reference to "calling" an
22 election for the reason stated in Revisor's Note (2) to
23 Section 1073.203.

24 (3) Section 20b(c), Chapter 206, Acts of the
25 61st Legislature, Regular Session, 1969, states that
26 the election must be held not later than the 60th day
27 after the date the election is ordered. The revised
28 law omits the provision as superseded by Section
29 3.005, Election Code, applicable to the district under
30 Section 1.002, Election Code. Section 3.005, as
31 amended by Chapter 925, Acts of the 78th Legislature,
32 Regular Session, 2003, requires an election order
33 issued by the authority of a political subdivision to
34 be issued not later than the 62nd day before election
35 day and provides that Section 3.005 supersedes a law
36 outside the Election Code to the extent of any
37 conflict. The omitted law reads:

38 (c) The election shall be held not
39 later than the 60th day after the date the
40 election is ordered. . . .

1 Revised Law

2 Sec. 1073.302. NOTICE OF ELECTION. (a) The board shall
3 give notice of an election under this subchapter by publishing once
4 a week for two consecutive weeks a substantial copy of the election
5 order in a newspaper with general circulation in the district.

6 (b) The first publication of the notice must appear not
7 later than the 35th day before the date set for the election. (Acts
8 61st Leg., R.S., Ch. 206, Sec. 20b(d) (part).)

9 Source Law

10 (d) The board shall give notice of the election
11 by publishing a substantial copy of the election order
12 in a newspaper of general circulation in the district
13 once a week for two consecutive weeks. The first
14 publication must appear not fewer than 35 days before
15 the date of the election. . . .

16 Revised Law

17 Sec. 1073.303. BALLOT. The ballot for an election under
18 this subchapter must be printed to permit voting for or against the
19 proposition: "The dissolution of the North Runnels County Hospital
20 District." (Acts 61st Leg., R.S., Ch. 206, Sec. 20b(d) (part).)

21 Source Law

22 (d) . . . The ballot for the election shall be
23 printed to permit voting for or against the
24 proposition: "The dissolution of the North Runnels
25 County Hospital District."

26 Revised Law

27 Sec. 1073.304. ELECTION RESULTS. (a) If a majority of the
28 votes in an election under this subchapter favor dissolution, the
29 board shall find that the district is dissolved.

30 (b) If a majority of the votes in the election do not favor
31 dissolution, the board shall continue to administer the district
32 and another election on the question of dissolution may not be held
33 before the first anniversary of the date of the most recent election
34 to dissolve the district. (Acts 61st Leg., R.S., Ch. 206, Sec.
35 20b(e).)

36 Source Law

37 (e) If a majority of the votes in the election
38 favor dissolution, the board shall find that the
39 district is dissolved. If a majority of the votes in
40 the election do not favor dissolution, the board shall

1 continue to administer the district, and another
2 election on the question of dissolution may not be held
3 before the first anniversary of the most recent
4 election to dissolve the district.

5 Revised Law

6 Sec. 1073.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)

7 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 Runnels
11 County or another governmental entity in Runnels County; or

12 (2) administer the property, assets, and debts until
13 all money has been disposed of and all district debts have been paid
14 or settled.

15 (b) If the board makes the transfer under Subsection (a)(1),
16 the county or entity assumes all debts and obligations of the
17 district at the time of the transfer and the district is dissolved.

18 (Acts 61st Leg., R.S., Ch. 206, Secs. 20b(f), (g).)

19 Source Law

20 (f) If a majority of the votes in the election
21 favor dissolution, the board shall:

22 (1) transfer the land, buildings,
23 improvements, equipment, and other assets that belong
24 to the district to Runnels County or another
25 governmental entity in Runnels County; or

26 (2) administer the property, assets, and
27 debts until all funds have been disposed of and all
28 district debts have been paid or settled.

29 (g) If the district transfers the land,
30 buildings, improvements, equipment, and other assets
31 to a county or other governmental entity, the county or
32 entity assumes all debts and obligations of the
33 district at the time of the transfer, and the district
34 is dissolved.

35 Revised Law

36 Sec. 1073.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

37 (a) Notwithstanding any other provision of this chapter, the
38 district may not be dissolved unless the board provides for the sale
39 or transfer of the district's assets and liabilities to another
40 person.

41 (b) The dissolution of the district and the sale or transfer
42 of the district's assets or liabilities may not contravene a trust
43 indenture or bond resolution relating to the district's outstanding

1 bonds. The dissolution and sale or transfer does not diminish or
2 impair the rights of a holder of an outstanding bond, warrant, or
3 other obligation of the district.

4 (c) The sale or transfer of the district's assets and
5 liabilities must satisfy the debt and bond obligations of the
6 district in a manner that protects the interests of district
7 residents, including the residents' collective property rights in
8 the district's assets.

9 (d) The district may not transfer or dispose of the
10 district's assets except for due compensation unless:

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

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

15 (e) A grant from federal funds is an obligation to be repaid
16 in satisfaction. (Acts 61st Leg., R.S., Ch. 206, Secs. 20b(m),
17 (n).)

18 Source Law

19 (m) Notwithstanding any other provisions of
20 this Act, the district may not be dissolved unless the
21 board provides for the sale or transfer of the
22 district's assets and liabilities to another person or
23 entity. The dissolution of the district and the sale
24 or transfer of the district's assets and liabilities to
25 another person or entity may not contravene a trust
26 indenture or bond resolution relating to the
27 outstanding bonds of the district. The dissolution
28 and sale or transfer does not diminish or impair the
29 rights of a holder of an outstanding bond, warrant, or
30 other obligation of the district.

31 (n) The sale or transfer of the district's
32 assets and liabilities must satisfy the debt and bond
33 obligations of the district in a manner that protects
34 the interests of the residents of the district,
35 including the residents' collective property rights in
36 the district's assets. A grant from federal funds is
37 an obligation to be repaid in satisfaction. The
38 district may not transfer or dispose of the district's
39 assets except for due compensation unless the transfer
40 is made to another governmental entity that serves the
41 district and the transferred assets are to be used for
42 the benefit of the residents of the district.

43 Revisor's Note

44 Section 20b(m), Chapter 206, Acts of the 61st
45 Legislature, Regular Session, 1969, refers to "another
46 person or entity." The revised law omits "entity"

1 because "entity" is included in the meaning of
2 "person" under Section 311.005(2), Government Code
3 (Code Construction Act).

4 Revised Law

5 Sec. 1073.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
6 TAXES. (a) After the board finds that the district is dissolved,
7 the board shall:

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

9 (2) impose on the property included in the district's
10 tax rolls a tax that is in proportion of the debt to the property
11 value.

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

16 (c) A taxpayer may request that the taxpayer's share of
17 surplus tax money be credited to the taxpayer's county taxes. If a
18 taxpayer requests the credit, the board shall direct the secretary
19 to transmit the money to the county tax assessor-collector. (Acts
20 61st Leg., R.S., Ch. 206, Secs. 20b(h), (i), (j).)

21 Source Law

22 (h) After the board finds that the district is
23 dissolved, the board shall:

24 (1) determine the debt owed by the
25 district; and

26 (2) impose on the property included in the
27 district's tax rolls a tax that is in proportion of the
28 debt to the property value.

29 (i) When all outstanding debts and obligations
30 of the district are paid, the board shall order the
31 secretary to return the pro rata share of all unused
32 tax money to each district taxpayer.

33 (j) A taxpayer may request that the taxpayer's
34 share of surplus tax money be credited to the
35 taxpayer's county taxes. If a taxpayer requests the
36 credit, the board shall direct the secretary to
37 transmit the funds to the county tax
38 assessor-collector.

39 Revised Law

40 Sec. 1073.308. REPORT; DISSOLUTION ORDER. (a) After the
41 district has paid all district debts and has disposed of all
42 district money and other assets as prescribed by this subchapter,

1 the board shall file a written report with the Commissioners Court
2 of Runnels County summarizing the board's actions in dissolving the
3 district.

4 (b) Not later than the 10th day after the date the
5 Commissioners Court of Runnels County receives the report and
6 determines that the requirements of this subchapter have been
7 fulfilled, the commissioners court shall enter an order dissolving
8 the district and releasing the board from any further duty or
9 obligation. (Acts 61st Leg., R.S., Ch. 206, Secs. 20b(k), (l).)

10 Source Law

11 (k) After the district has paid all its debts
12 and has disposed of all its assets and funds as
13 prescribed by this section, the board shall file a
14 written report with the Commissioners Court of Runnels
15 County setting forth a summary of the board's actions
16 in dissolving the district.

17 (l) Not later than the 10th day after the date it
18 receives the report and determines that the
19 requirements of this section have been fulfilled, the
20 Commissioners Court of Runnels County shall enter an
21 order dissolving the district and releasing the board
22 from any further duty or obligation.

23 Revisor's Note
24 (End of Chapter)

25 (1) Sections 2, 5(d), 7, and 8, Chapter 206,
26 Acts of the 61st Legislature, Regular Session, 1969,
27 provide for the sale or transfer of certain land,
28 buildings, improvements, equipment, funds, and taxes
29 to the district after the district is created and
30 provide for the assumption of debt by the district on
31 creation. The revised law omits those provisions as
32 executed. The omitted law reads:

33 Sec. 2. The district herein
34 authorized to be created shall take over and
35 there shall be transferred to it the title
36 to all lands, buildings, improvements, and
37 equipment in anywise pertaining to
38 hospitals owned by the county or by any city
39 or town within the district, and thereafter
40 . . . shall assume the outstanding
41 indebtedness which shall have been incurred
42 by Runnels County, and any city or town
43 therein for hospital purposes prior to the
44 creation of the district.

45 [Sec. 5]

46 (d) The hospital district created by
47 this Act is authorized to purchase from any

1 city hospital within the district, and each
2 said authority is hereby authorized to sell
3 to said hospital district, any and all
4 hospital facilities, including all lands,
5 buildings, equipment, and properties owned
6 by them upon such terms and for such prices
7 as they may mutually agree. If any such
8 hospital authority sells its facilities to
9 the district, that authority shall no
10 longer be authorized to perform hospital
11 services within the boundaries of the
12 district herein authorized nor issue bonds
13 therefor.

14 Sec. 7. All lands, buildings, and
15 equipment within the district at the time of
16 the creation of the district which are owned
17 by Runnels County, Texas, or by any city or
18 town therein and which were acquired by them
19 for the purpose of providing hospital
20 service or care for patients of such county
21 or city, shall become the property of North
22 Runnels County Hospital District and the
23 Commissioners Court of Runnels County and
24 the governing body of any such city or town
25 shall provide by order that all property so
26 owned shall be conveyed to the North Runnels
27 County Hospital District in consideration
28 of the hospital district assuming all debts
29 and obligations arising from the
30 acquisition, construction and operation of
31 such county and city or town hospital
32 facilities. The hospital district, through
33 its board of directors, shall by resolution
34 accept said properties and shall assume all
35 the liabilities and obligations, including
36 bonds and warrants incurred by Runnels
37 County or such city or town for such
38 hospital purposes.

39 Sec. 8. Any funds remaining in the
40 hands of the county or any city or town
41 therein, as the proceeds of bonds assumed by
42 the district, as herein provided, shall
43 forthwith be transferred to and become the
44 funds of the hospital district and title
45 thereto shall vest in such district. There
46 shall also vest in said district and become
47 the funds thereof the unspent portion of any
48 other funds theretofore set up or
49 appropriated by budget or otherwise by
50 Runnels County or any city or town thereof
51 for the support and maintenance of hospital
52 facilities for the year within which the
53 hospital district is created, thereby
54 providing such hospital district with funds
55 with which to maintain and operate such
56 facilities for the remainder of such year.
57 Any uncollected or delinquent taxes levied
58 for hospital purposes by Runnels County or
59 any city or town thereof, as collected,
60 shall be paid to the district and applied by
61 it to the purpose for which such taxes
62 originally were levied. Any and all
63 obligations under contracts legally
64 incurred by Runnels County or any city or
65 town therein for the building or the support
66 and maintenance of hospital facilities
67 prior to the creation of said district but
68 outstanding at the time of its creation

1 shall be assumed and discharged by such
2 district without prejudice to the rights of
3 third parties. It is provided that the
4 management and control of the property and
5 affairs of any hospital system or systems
6 owned and operated by Runnels County or any
7 city or town thereof shall continue in the
8 existing board of managers until
9 appointment and organization of the board
10 of directors of the hospital district, at
11 which time the board of managers of the
12 present hospital or hospital system shall
13 turn over all records, property and affairs
14 of said hospital system to the board of
15 directors of the district and shall cease to
16 exist as a board of managers of the existing
17 hospital system.

18 The Commissioners Court of Runnels
19 County and the governing body of any city
20 therein owning the hospital or hospital
21 system, as the case may be, as soon as the
22 hospital district is created and authorized
23 at the election hereinabove provided, and
24 there have been appointed and qualified the
25 board of hospital directors above provided
26 for, shall execute and deliver to the
27 hospital district, to-wit: to its board of
28 directors, an instrument in writing
29 conveying to said hospital district the
30 hospital properties including management,
31 buildings, and equipment, and shall
32 transfer to said hospital district the
33 funds hereinabove provided to be vested in
34 the hospital district. Such funds, in the
35 hands of the hospital district and its board
36 of directors shall be used for all or any of
37 the same purposes and for no other purposes
38 than the purposes for which the county or
39 city transferring such funds could lawfully
40 have used the same had they remained the
41 property and funds of such county or city.

42 (2) Section 24, Chapter 206, Acts of the 61st
43 Legislature, Regular Session, 1969, provides that the
44 act is severable. The revised law omits that provision
45 because it duplicates Section 311.032, Government Code
46 (Code Construction Act), which provides that a
47 provision of a statute is severable from each other
48 provision of the statute that can be given effect. The
49 omitted law reads:

50 Sec. 24. . . . If any provision of
51 this Act should be invalid, such fact shall
52 not affect the authorization for the
53 creation of the District or the validity of
54 any other provisions of this Act, and the
55 Legislature hereby declares that it would
56 have created the District and enacted the
57 valid provisions of this Act
58 notwithstanding the invalidity of any other
59 provision or provisions hereof.

1 (3) Section 25, Chapter 206, Acts of the 61st
 2 Legislature, Regular Session, 1969, provides that
 3 public notice of enactment of the statute was provided
 4 in a manner that satisfies the requirements of the
 5 Texas Constitution. The revised law omits that
 6 section as executed. The omitted law reads:

7 Sec. 25. Proof of publication of the
 8 notice required in the enactment hereof
 9 under the provisions of Article IX, Section
 10 9, of the Texas Constitution has been made
 11 in the manner and form provided by law
 12 pertaining to the enactment of local and
 13 special laws, and such notice is hereby
 14 found and declared proper and sufficient to
 15 satisfy such requirement.

16 CHAPTER 1077. GAINESVILLE HOSPITAL DISTRICT

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10 CHAPTER 1077. GAINESVILLE HOSPITAL DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Revised Law

13 Sec. 1077.001. 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 Gainesville Hospital
18 District. (New.)

19 Revisor's Note

20 The definitions of "board," "director," and
21 "district" are added to the revised law for drafting
22 convenience and to eliminate frequent, unnecessary
23 repetition of the substance of the definitions.

24 Revised Law

25 Sec. 1077.002. AUTHORITY FOR OPERATION. The Gainesville
26 Hospital District operates in accordance with Section 9, Article
27 IX, Texas Constitution. (Acts 64th Leg., R.S., Ch. 211, Sec. 1
28 (part).)

29 Source Law

30 Sec. 1. In accordance with the provisions of the
31 Texas Constitution, Article IX, Section 9, this Act
32 hereby authorizes the creation, establishment,
33 maintenance, and operation of a hospital district
34 within the State of Texas to be known as the
35 Gainesville Hospital District and

36 Revisor's Note

37 Section 1, Chapter 211, Acts of the 64th

1 Legislature, Regular Session, 1975, authorizes the
2 "creation, establishment, maintenance, and operation"
3 of the district. The revised law omits "creation" and
4 "establishment" as executed. The revised law omits
5 "maintenance" because, in this context, the meaning of
6 that term is included in the meaning of "operation."

7 Revised Law

8 Sec. 1077.003. POLITICAL SUBDIVISION. The district is a
9 political subdivision of this state. (Acts 64th Leg., R.S., Ch.
10 211, Sec. 17 (part).)

11 Source Law

12 Sec. 17. The hospital district authorized to be
13 created under the provisions of this Act shall be and
14 is declared to be a political subdivision of the State
15 of Texas, and

16 Revised Law

17 Sec. 1077.004. DISTRICT TERRITORY. The boundaries of the
18 district are coextensive with the boundaries of Cooke County,
19 Texas, except that the district does not include territory located
20 in the Muenster Hospital District on the date the election to
21 approve the creation of the Gainesville Hospital District was
22 called. (Acts 64th Leg., R.S., Ch. 211, Sec. 1 (part).)

23 Source Law

24 Sec. 1. . . . to include within its boundaries
25 all the territory located within Cooke County, Texas,
26 except that territory which at the time the election to
27 approve the creation of such district is called (as
28 provided in Section 3 hereof) is within the Muenster
29 Hospital District.

30 Revisor's Note

31 Section 1, Chapter 211, Acts of the 64th
32 Legislature, Regular Session, 1975, refers to the
33 election to approve creation of the district "as
34 provided in Section 3." As explained in the revisor's
35 note to the end of this subchapter, Section 3, Chapter
36 211, is executed. The revised law therefore omits the
37 reference.

1 Revised Law

2 Sec. 1077.005. PUBLIC PURPOSE; TAX EXEMPTION. All property
3 owned by the district:

4 (1) shall be held for public purposes; and

5 (2) is exempt from taxation of every character by this
6 state or a political subdivision of this state. (Acts 64th Leg.,
7 R.S., Ch. 211, Sec. 17 (part).)

8 Source Law

9 Sec. 17. . . . In addition, all property owned
10 by the district shall be held for public purposes and
11 shall be exempt from taxation of every character by the
12 state or any municipality or political subdivision
13 thereof.

14 Revisor's Note

15 Section 17, Chapter 211, Acts of the 64th
16 Legislature, Regular Session, 1975, refers to a
17 "municipality or political subdivision." Throughout
18 this chapter, the revised law omits the references to
19 "municipality" because "municipality" is included in
20 the meaning of "political subdivision."

21 Revised Law

22 Sec. 1077.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
23 OBLIGATION. The support and maintenance of the district may not
24 become a charge against or obligation of this state. (Acts 64th
25 Leg., R.S., Ch. 211, Sec. 18 (part).)

26 Source Law

27 Sec. 18. The support and maintenance of
28 Gainesville Hospital District shall never become a
29 charge against or obligation of the State of Texas
30

31 Revised Law

32 Sec. 1077.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
33 The legislature may not make a direct appropriation for the
34 construction, maintenance, or improvement of a district facility.
35 (Acts 64th Leg., R.S., Ch. 211, Sec. 18 (part).)

36 Source Law

37 Sec. 18. . . . nor shall any direct
38 appropriation be made by the legislature for the
39 construction, maintenance, or improvement of any of

1 the facilities of such district.

2 Revisor's Note
3 (End of Subchapter)

4 Section 3, Chapter 211, Acts of the 64th
5 Legislature, Regular Session, 1975, provides
6 procedures for holding an election on the creation of
7 the district and the imposition of an ad valorem tax.
8 Because the creation of the district and the
9 imposition of the tax were approved at the election,
10 the revised law omits the relevant law as executed.
11 The omitted law reads:

12 Sec. 3. The district shall not be
13 created nor shall any tax therein be
14 authorized unless and until such creation
15 and such tax are approved by a majority of
16 the qualified property taxpaying electors
17 residing within boundaries of the proposed
18 district voting at an election called for
19 such purpose. Such election shall be called
20 by a majority of the temporary or
21 provisional directors of the district and
22 shall be held not less than 30 nor more than
23 60 days from the time such election is
24 ordered. The order calling the election
25 shall specify the time and places of holding
26 same, the form of ballot, and the presiding
27 judge for each voting place. Notice of
28 election shall be given by publishing a
29 substantial copy of the election order in a
30 newspaper of general circulation in the
31 area of the proposed district once a week
32 for two consecutive weeks, the first
33 publication to appear at least 14 days prior
34 to the date set for the election. The
35 failure of any such election shall not
36 operate to prohibit the calling and holding
37 of subsequent elections for the same
38 purpose. At said election there shall be
39 submitted to the qualified property
40 taxpaying electors of said proposed
41 district the proposition of whether the
42 Gainesville Hospital District shall be
43 created with authority to levy annual taxes
44 at a rate not to exceed 75 cents on the \$100
45 valuation of all taxable property within
46 such district for the purpose of meeting the
47 requirements of the district's bonds
48 (including those assumed) and for the care
49 of indigents; and a majority of the
50 qualified taxpaying electors of the
51 district voting at said election in favor of
52 the proposition shall be sufficient for its
53 adoption. The ballots shall be prepared so
54 as to permit voting "FOR" or "AGAINST" the
55 following ballot proposition:

56 "THE CREATION OF GAINESVILLE HOSPITAL
57 DISTRICT AND THE AUTHORIZATION TO LEVY
58 ANNUAL TAXES AT A RATE NOT TO EXCEED 75
59 CENTS ON THE \$100 VALUATION OF ALL TAXABLE

1 PROPERTY WITHIN SUCH DISTRICT."

2 [Sections 1077.008-1077.050 reserved for expansion]

3 SUBCHAPTER B. DISTRICT ADMINISTRATION

4 Revised Law

5 Sec. 1077.051. BOARD ELECTION; TERM. (a) The district is
6 governed by a board of nine directors.

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

8 (c) An election shall be held on the uniform election date
9 in May of each year to elect the appropriate number of directors.

10 (Acts 64th Leg., R.S., Ch. 211, Secs. 4(a), (b), (c) (part).)

11 Source Law

12 Sec. 4. (a) The district is governed by a board
13 of nine directors.

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

15 (c) A regular election for directors shall be
16 held on the uniform election date in May of each year
17 to elect the appropriate number of directors. . . .

18 Revisor's Note

19 Section 3, Chapter 415, Acts of the 80th
20 Legislature, Regular Session, 2007, provides for the
21 staggering of terms for directors elected in 2008 and
22 2009 to accomplish the change of the members' terms
23 from two to three years. Because this chapter will not
24 take effect until 2011, the revised law omits those
25 provisions as executed. The omitted law reads:

26 Sec. 3. (a) The election of
27 directors scheduled before the effective
28 date of this Act to be held in May, 2008,
29 shall be held, and the three directors who
30 receive the highest number of votes shall
31 each be elected to serve three-year terms.
32 The two remaining directors elected shall
33 be elected to serve two-year terms.
34 Successor directors shall serve three-year
35 terms.

36 (b) Four directors shall be elected
37 in 2009. The director who receives the
38 highest number of votes shall be elected to
39 serve a four-year term. The three remaining
40 directors elected shall be elected to serve
41 three-year terms. Successor directors
42 shall serve three-year terms.

43 Revised Law

44 Sec. 1077.052. NOTICE OF ELECTION. Notice of an election of
45 directors shall be published in a newspaper of general circulation

1 in the area of the district in accordance with Section 4.003,
2 Election Code. (Acts 64th Leg., R.S., Ch. 211, Sec. 4(c) (part).)

3 Source Law

4 (c) . . . Notice of such election shall be
5 published in a newspaper of general circulation in the
6 area of the district in accordance with Section 4.003,
7 Election Code.

8 Revised Law

9 Sec. 1077.053. QUALIFICATIONS FOR OFFICE. To be qualified
10 to hold office as a director, a person must be:

- 11 (1) a resident of the district; and
12 (2) a registered voter. (Acts 64th Leg., R.S., Ch.
13 211, Sec. 4(g).)

14 Source Law

15 (g) To be qualified to hold office as a director
16 of the district, a person must be a resident of the
17 district and a registered voter.

18 Revisor's Note

19 Section 4(i), Chapter 211, Acts of the 64th
20 Legislature, Regular Session, 1975, requires each
21 director to take the constitutional oath of office.
22 The revised law omits that provision because Section
23 1, Article XVI, Texas Constitution, requires all
24 officers to take the oath (or affirmation) before
25 assuming office. The omitted law reads:

26 (i) Each director and his successor
27 in office shall qualify by executing the
28 constitutional oath of office.

29 Revised Law

30 Sec. 1077.054. MEETING ATTENDANCE REQUIREMENT. (a) A
31 director who fails to attend at least four regular meetings in any
32 12-month period is considered to have resigned the director's
33 position, effective immediately on the date of the fourth absence.
34 Further action is not required by the director or the board to
35 effectuate a vacancy under this subsection.

36 (b) A vacancy created by a resignation under this section
37 shall be filled as provided by Section 1077.055. (Acts 64th Leg.,
38 R.S., Ch. 211, Sec. 4(e).)

1 Revised Law

2 Sec. 1077.058. DISTRICT ADMINISTRATOR; ASSISTANT
3 ADMINISTRATOR. (a) The board shall appoint a qualified person as
4 district administrator.

5 (b) The board may appoint an assistant administrator.

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 (e) The board may pay for the bond with district money.
16 (Acts 64th Leg., R.S., Ch. 211, Sec. 5(b) (part).)

17 Source Law

18 (b) The board of directors shall appoint a
19 qualified person to be known as the administrator of
20 the hospital district and may in its discretion
21 appoint an assistant to the administrator. Such
22 administrator and assistant administrator, if any,
23 shall serve at the will of the board and shall receive
24 such compensation as may be fixed by the board. The
25 administrator shall, upon assuming his duties, execute
26 a bond payable to the hospital district in an amount to
27 be set by the board of directors, in no event less than
28 \$5,000, conditioned that he shall perform the duties
29 required of him, and containing such other conditions
30 as the board may require. The board may pay for the
31 bond with district funds. . . .

32 Revised Law

33 Sec. 1077.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
34 Subject to the limitations prescribed by the board, the district
35 administrator shall:

36 (1) supervise the work and activities of the district;
37 and

38 (2) direct the affairs of the district. (Acts 64th
39 Leg., R.S., Ch. 211, Sec. 5(b) (part).)

40 Source Law

41 (b) . . . The administrator shall supervise all

1 the work and activities of the hospital district and
2 shall have general direction of the affairs of the
3 district, subject to such limitations as may be
4 prescribed by the board.

5 Revised Law

6 Sec. 1077.060. APPOINTMENT AND DISMISSAL OF STAFF AND
7 EMPLOYEES. (a) The board may appoint to or dismiss from the
8 medical staff the physicians, dentists, and podiatrists the board
9 determines necessary for the efficient operation of the district.

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 hire district employees. (Acts 64th Leg., R.S., Ch.
15 211, Secs. 5(c), (d).)

16 Source Law

17 (c) The board of directors shall have the
18 authority to appoint to or dismiss from the medical
19 staff such physicians, dentists, and podiatrists as
20 the board determines are necessary for the efficient
21 operation of the hospital district.

22 (d) The district may employ technicians,
23 nurses, fiscal agents, accountants, architects,
24 additional attorneys, and other necessary employees.
25 The board may delegate to the administrator the
26 authority to employ persons for the district.

27 Revised Law

28 Sec. 1077.061. PERSONNEL CONTRACTS. (a) The board may
29 contract with a nonprofit corporation for the corporation to
30 provide administrative and other personnel for the operation of the
31 hospital facilities.

32 (b) The term of the contract may not exceed 25 years from the
33 date the contract is executed. (Acts 64th Leg., R.S., Ch. 211, Sec.
34 5(f).)

35 Source Law

36 (f) The board may also enter into a contract or
37 contracts with nonprofit corporations whereby such
38 corporations agree to provide administrative and other
39 personnel for the operation of the hospital
40 facilities, but in no event may such contract be for a
41 period in excess of 25 years from the date the same is
42 executed.

43 Revised Law

44 Sec. 1077.062. RETIREMENT BENEFITS. The board may enter

1 into any contract or agreement with this state or the federal
2 government that is required to establish or continue a retirement
3 program for the benefit of the district's employees. (Acts 64th
4 Leg., R.S., Ch. 211, Sec. 5(e) (part).)

5 Source Law

6 (e) . . . The board of directors is also
7 authorized to enter into such contracts or agreements
8 with the State of Texas or the federal government as
9 may be required to establish or continue a retirement
10 program for the benefit of the district's employees.

11 Revisor's Note
12 (End of Subchapter)

13 (1) Section 4(c), Chapter 211, Acts of the 64th
14 Legislature, Regular Session, 1975, states that a
15 person must file a ballot application with the board
16 secretary to be a candidate for director in accordance
17 with Chapter 144, Election Code. The revised law omits
18 the statement because Chapter 144 applies to the
19 district by its own terms under Section 1.002,
20 Election Code. The omitted law reads:

21 (c) . . . Any person desiring the
22 person's name to be printed on the ballot as
23 a candidate for director shall file an
24 application with the secretary of the board
25 of directors of the district in accordance
26 with Chapter 144, Election Code. . . .

27 (2) Section 4(j), Chapter 211, Acts of the 64th
28 Legislature, Regular Session, 1975, provides that a
29 majority of the board constitutes a quorum for the
30 transaction of business. The revised law omits that
31 provision because it duplicates Section 311.013,
32 Government Code (Code Construction Act), which
33 provides that a quorum of a public body is a majority
34 of the number of members fixed by statute. The revised
35 law also omits "for the transaction of any business"
36 because "quorum" means the number of persons or votes
37 necessary for a body to act. The omitted law reads:

38 (j) A majority of the board shall
39 constitute a quorum for the transaction of
40 business.

1 [Sections 1077.063-1077.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 1077.101. DISTRICT RESPONSIBILITY. (a) The district
5 has full responsibility for operating all hospital facilities for
6 providing medical and hospital care of the indigent persons in the
7 district.

8 (b) The district shall provide medical and hospital care for
9 the district's needy inhabitants. (Acts 64th Leg., R.S., Ch. 211,
10 Secs. 2 (part), 16 (part).)

11 Source Law

12 Sec. 2. The hospital district herein authorized
13 to be created shall provide medical and hospital care
14 for its needy inhabitants and

15 Sec. 16. . . . the said Gainesville Hospital
16 District shall assume full responsibility for the
17 operation of all hospital facilities for the
18 furnishing of medical and hospital care of indigent
19 persons within its boundaries.

20 Revisor's Note

21 Section 16, Chapter 211, Acts of the 64th
22 Legislature, Regular Session, 1975, provides that the
23 district "shall assume" full responsibility for the
24 operation of hospital facilities for the indigent.
25 The revised law substitutes "has" for the quoted
26 language because the duty to assume responsibility is
27 executed.

28 Revised Law

29 Sec. 1077.102. RESTRICTION ON POLITICAL SUBDIVISION
30 TAXATION AND DEBT. A political subdivision in the district, other
31 than the district, may not impose a tax or issue bonds or other
32 obligations for hospital purposes for medical treatment of indigent
33 persons in the district. (Acts 64th Leg., R.S., Ch. 211, Sec. 16
34 (part).)

35 Source Law

36 Sec. 16. After creation of Gainesville Hospital
37 District, as herein provided, no other municipality or
38 political subdivision therein shall thereafter issue
39 bonds or other evidence of indebtedness or levy taxes

1 for hospital purposes for medical treatment of
2 indigent persons within the boundaries of said
3 district, and

4 Revisor's Note

5 (1) Section 16, Chapter 211, Acts of the 64th
6 Legislature, Regular Session, 1975, provides that
7 "[a]fter creation of Gainesville Hospital District,"
8 certain political subdivisions may not issue bonds or
9 levy taxes for certain purposes. The revised law omits
10 the quoted language as executed. In addition,
11 throughout this chapter, the revised law substitutes
12 "impose" for "levy" because, in this context, the
13 terms are synonymous and the former is more commonly
14 used.

15 (2) Section 16, Chapter 211, Acts of the 64th
16 Legislature, Regular Session, 1975, provides that a
17 municipality or political subdivision in the district
18 may not issue bonds or other "evidence of
19 indebtedness." The revised law substitutes
20 "obligations" for "evidence of indebtedness" because,
21 in context, the terms are synonymous, and
22 "obligations" is more commonly used.

23 Revised Law

24 Sec. 1077.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
25 The board shall manage, control, and administer the hospital system
26 and the district's money and resources. (Acts 64th Leg., R.S., Ch.
27 211, Sec. 5(a) (part).)

28 Source Law

29 Sec. 5. (a) The board of directors shall
30 manage, control, and administer the hospital system
31 and the funds and resources of the district. . . .

32 Revised Law

33 Sec. 1077.104. RULES. The board may adopt rules governing
34 the operation of the district and as required to administer this
35 chapter. (Acts 64th Leg., R.S., Ch. 211, Secs. 5(a) (part), (g)
36 (part).)

1 Source Law

2 (a) . . . The district through its board of
3 directors shall have the power and authority . . . to
4 promulgate rules and regulations governing the
5 operation of the district.

6 (g) The board of directors of such district
7 shall have the power . . . to make such rules and
8 regulations as may be required to carry out the
9 provisions of this Act. . . .

10 Revisor's Note

11 Sections 5(a) and (g), Chapter 211, Acts of the
12 64th Legislature, Regular Session, 1975, provide that
13 the board may "promulgate rules and regulations" to
14 govern the district and "make such rules and
15 regulations as may be required" to carry out the act.
16 The revised law substitutes "adopt" for "promulgate"
17 and "make" because the terms are synonymous and the
18 former is more commonly used. The revised law also
19 omits the reference to "regulations" because under
20 Section 311.005(5), Government Code (Code
21 Construction Act), a rule is defined to include a
22 regulation.

23 Revised Law

24 Sec. 1077.105. PURCHASING AND ACCOUNTING PROCEDURES. The
25 board may prescribe:

26 (1) the method and manner of making purchases and
27 expenditures by and for the district; and

28 (2) all accounting and control procedures. (Acts 64th
29 Leg., R.S., Ch. 211, Sec. 5(g) (part).)

30 Source Law

31 (g) The board of directors of such district
32 shall have the power to prescribe the method and manner
33 of making purchases and expenditures by and for such
34 hospital district and also shall be authorized to
35 prescribe all accounting and control procedures and
36

37 Revised Law

38 Sec. 1077.106. DISTRICT PROPERTY, FACILITIES, EQUIPMENT,
39 AND SERVICES. (a) The board has exclusive authority to determine
40 the type, character, and use of facilities in the hospital system.

1 (b) The district may:

2 (1) purchase, construct, acquire, repair, or renovate
3 buildings and improvements; and

4 (2) equip buildings and improvements for hospital
5 purposes. (Acts 64th Leg., R.S., Ch. 211, Secs. 2 (part), 5(g)
6 (part).)

7 Source Law

8 Sec. 2. [The hospital district herein
9 authorized] . . . is hereby authorized and empowered
10 to purchase, construct, acquire, repair, or renovate
11 buildings and improvements and equip same for hospital
12 purposes. . . .

13 [Sec. 5]

14 (g) . . . The board is given exclusive authority
15 to determine the type, character, and use of the
16 facilities forming a part of the hospital system.

17 Revised Law

18 Sec. 1077.107. 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. (Acts 64th
26 Leg., R.S., Ch. 211, Sec. 12.)

27 Source Law

28 Sec. 12. The district created hereunder shall
29 have the right and power of eminent domain for the
30 purpose of acquiring by condemnation any and all
31 property of any kind and character in fee simple or any
32 lesser interest therein, within the boundaries of the
33 district necessary or convenient to the powers,
34 rights, and privileges conferred by this Act, in the
35 manner provided by the general law with respect to
36 condemnation.

37 Revisor's Note

38 (1) Section 12, Chapter 211, Acts of the 64th
39 Legislature, Regular Session, 1975, provides that the
40 district has the "right and power of eminent domain for
41 the purpose of acquiring [property] by condemnation."
42 The revised law substitutes for the quoted language

1 "may exercise the power of eminent domain to acquire
2 [property]" because the phrases have the same meaning
3 and the latter phrase is consistent with modern usage
4 in laws relating to eminent domain.

5 (2) Section 12, Chapter 211, Acts of the 64th
6 Legislature, Regular Session, 1975, provides that the
7 district must exercise the power of eminent domain "in
8 the manner provided by the general law with respect to
9 condemnation." The revised law substitutes for the
10 quoted language a reference to Chapter 21, Property
11 Code, because that is the general law governing
12 eminent domain.

13 Revised Law

14 Sec. 1077.108. 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 64th Leg., R.S., Ch. 211,
20 Sec. 15.)

21 Source Law

22 Sec. 15. The board of directors of the hospital
23 district is authorized on behalf of such district to
24 accept donations, gifts, and endowments to be held in
25 trust and administered by the board of directors for
26 such purposes and under such directions, limitations,
27 and provisions as may be prescribed in writing by the
28 donor, not inconsistent with proper management and
29 object of the hospital district.

30 Revisor's Note

31 Section 15, Chapter 211, Acts of the 64th
32 Legislature, Regular Session, 1975, refers to
33 "donations" and "gifts." The revised law omits the
34 reference to "donations" because "donations" is
35 included in the meaning of "gifts."

36 Revised Law

37 Sec. 1077.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
38 CARE AND TREATMENT. (a) The board may contract with a county or

1 municipality located outside the district for the care and
2 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 for whom this
6 state or the agency is responsible. (Acts 64th Leg., R.S., Ch. 211,
7 Sec. 5(e) (part).)

8 Source Law

9 (e) Such board shall be authorized to contract
10 with any county or incorporated municipality located
11 outside the district for the care and treatment of the
12 sick, diseased, or injured persons of any such county
13 or municipality and shall have the authority to
14 contract with the State of Texas and agencies of the
15 federal government for treatment of sick, diseased, or
16 injured persons for whom the State of Texas or the
17 federal government is responsible. . . .

18 Revisor's Note

19 (1) Section 5(e), Chapter 211, Acts of the 64th
20 Legislature, Regular Session, 1975, refers to an
21 "incorporated municipality." The revised law omits
22 the reference to "incorporated" because under the
23 Local Government Code all municipalities must be
24 incorporated.

25 (2) Section 5(e), Chapter 211, Acts of the 64th
26 Legislature, Regular Session, 1975, refers to the
27 treatment of a "sick, diseased, or injured" person.
28 The revised law omits the reference to "diseased"
29 because "diseased" is included in the meaning of
30 "sick."

31 Revised Law

32 Sec. 1077.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)
33 When an indigent patient who resides in the district is admitted to
34 a district facility or a person who does not reside in the district
35 is admitted as an emergency patient to a district facility, the
36 district administrator shall have an inquiry made into the
37 circumstances of:

38 (1) the patient; and

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

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

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 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 administrator may collect the amount from
16 the estate of the patient, or from any relative who is legally
17 liable for the patient's support, in the manner provided by law for
18 the collection of 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 district administrator, the board shall hold a
21 hearing and, after calling witnesses, shall:

22 (1) resolve the dispute or doubt; and

23 (2) issue any appropriate orders.

24 (f) A final order of the board may be appealed to the
25 district court. The substantial evidence rule applies to the
26 appeal. (Acts 64th Leg., R.S., Ch. 211, Sec. 14.)

27 Source Law

28 Sec. 14. Whenever an indigent patient residing
29 within the district has been admitted to the
30 facilities thereof, the administrator or manager shall
31 cause inquiry to be made as to his circumstances and
32 those of the relatives of such patient legally liable
33 for his support. If he finds that such patient or said
34 relatives are able to pay for his care and treatment,
35 in whole or in part, an order shall be made directing
36 such patient or said relatives to pay to the hospital
37 district for the support of such patient a specified
38 sum per week in proportion to their financial ability,
39 but such sum shall not exceed the actual per capita
40 cost of maintenance. The administrator or manager
41 shall have power and authority to collect such sums

1 from the estate of the patient or his relatives legally
2 liable for his support in the manner provided by law
3 for the collection of expenses in the last illness of a
4 deceased person. If the administrator or manager
5 finds that such patient or said relatives are not able
6 to pay, either in whole or in part, for his care and
7 treatment in such hospital, same shall become a charge
8 upon the hospital district, to the amount of the
9 inability to pay, as care for indigents. Should there
10 be any dispute as to the ability to pay, or doubt in the
11 mind of the administrator or manager, the board of
12 directors shall hear and determine same, after calling
13 witnesses, and shall make such order or orders as may
14 be proper. Appeals from a final order of the board
15 shall lie to the district court. The substantial
16 evidence rule shall apply. The provisions of this
17 section shall also apply to nonresidents of the
18 district who are admitted as emergency patients.

19 Revisor's Note

20 Section 14, Chapter 211, Acts of the 64th
21 Legislature, Regular Session, 1975, refers to the
22 district "administrator or manager." Chapter 415,
23 Acts of the 80th Legislature, Regular Session, 2007,
24 amended Section 5, Chapter 211, Acts of the 64th
25 Legislature, Regular Session, 1975 (revised in
26 Subchapter B of this chapter), to strike the
27 references to a district manager. For that reason, and
28 because in context "administrator" and "manager" are
29 synonymous, the revised law omits references to a
30 district manager throughout this chapter.

31 Revised Law

32 Sec. 1077.111. AUTHORITY TO SUE AND BE SUED. As a
33 governmental entity, the district, through the board, may sue and
34 be sued in its own name in any court of this state. (Acts 64th Leg.,
35 R.S., Ch. 211, Secs. 5(a) (part), 17 (part).)

36 Source Law

37 Sec. 5. (a) . . . The district through its board
38 of directors shall have the power and authority to sue
39 and be sued and

40 Sec. 17. The hospital district . . . as a
41 governmental agency may sue and be sued in any and all
42 courts of this state in the name of such district.
43 . . .

44 [Sections 1077.112-1077.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1077.151. BUDGET. (a) The district administrator
4 shall prepare an annual budget for approval by the board.

5 (b) The budget must be for the next fiscal year and must
6 include:

7 (1) proposed expenditures and disbursements;

8 (2) estimated receipts and collections; and

9 (3) the amount of taxes required to be imposed for the
10 year. (Acts 64th Leg., R.S., Ch. 211, Sec. 6 (part).)

11 Source Law

12 Sec. 6. . . . In addition the administrator or
13 manager shall prepare an annual budget for approval by
14 the board of directors of said district. . . .

15 The board of directors shall each year cause a
16 budget to be prepared showing the proposed
17 expenditures and disbursements and the estimated
18 receipts and collections for the following fiscal year
19 and The proposed budget shall also show the
20 amount of taxes required to be levied and collected
21 during such fiscal year, and,

22 Revisor's Note

23 Section 6, Chapter 211, Acts of the 64th
24 Legislature, Regular Session, 1975, refers to the levy
25 and collection of a tax. The revised law substitutes
26 "imposed" for "levied and collected" because "imposed"
27 is the term generally used in Title 1, Tax Code, and
28 includes the levying and collection of an ad valorem
29 tax.

30 Revised Law

31 Sec. 1077.152. PROPOSED BUDGET; NOTICE AND HEARING. (a)
32 The board shall hold a public hearing on the proposed budget.

33 (b) Notice of the hearing must be published at least once in
34 a newspaper of general circulation in Cooke County not later than
35 the 10th day before the date of the hearing.

36 (c) Any district taxpayer is entitled to:

37 (1) appear at the time and place designated in the
38 notice; and

39 (2) be heard regarding any item included in the

1 proposed budget. (Acts 64th Leg., R.S., Ch. 211, Sec. 6 (part).)

2 Source Law

3 Sec. 6. . . . The board of directors . . .
4 shall hold a public hearing on the proposed budget
5 after publication of a notice of hearing in a newspaper
6 of general circulation in the county at least once not
7 less than 10 days prior to the date set for the
8 hearing. Any person who is a taxpayer of the district
9 shall have the right to appear at the time and place
10 designated in the notice and be heard with reference to
11 any item shown in the proposed budget. . . .

12 Revisor's Note

13 Section 6, Chapter 211, Acts of the 64th
14 Legislature, Regular Session, 1975, refers to "the
15 county." Throughout this chapter, the revised law
16 substitutes Cooke County for the quoted language
17 because that is the county in which the district is
18 located.

19 Revised Law

20 Sec. 1077.153. 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 more than once in a
23 36-month period. (Acts 64th Leg., R.S., Ch. 211, Sec. 6 (part).)

24 Source Law

25 Sec. 6. The district shall be operated on a
26 fiscal year as established by the board, but in no
27 event may the fiscal year be changed more than one time
28 in any 36-month period. . . .

29 Revised Law

30 Sec. 1077.154. AUDIT. (a) The district shall have an audit
31 made of the district's financial condition.

32 (b) The audit shall be open to inspection at all times at the
33 district's principal office. (Acts 64th Leg., R.S., Ch. 211, Sec. 6
34 (part).)

35 Source Law

36 Sec. 6. . . . The district shall cause an audit
37 to be made of the financial condition of said district,
38 which shall at all times be open to inspection at the
39 principal office of the district. . . .

40 Revised Law

41 Sec. 1077.155. FINANCIAL REPORT. As soon as practical

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; and
 - 4 (2) a complete account of the disbursements of that money.
- 5 (Acts 64th Leg., R.S., Ch. 211, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . As soon as practical after the
8 close of each fiscal year, the administrator or
9 manager shall prepare for the board a full sworn
10 statement of all money belonging to the district and a
11 full account of the disbursements of same. . . .

12 Revised Law

13 Sec. 1077.156. DEPOSITORY. (a) The board shall select one
14 or more banks in the district to serve as a depository for district
15 money.

16 (b) District money shall be immediately deposited on
17 receipt with a depository bank to pay the principal of and interest
18 on the district's outstanding bonds on or before the maturity date
19 of the principal and interest.

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

24 (d) Membership on the district's board of an officer or
25 director of a bank does not disqualify the bank from being
26 designated as a depository bank. (Acts 64th Leg., R.S., Ch. 211,
27 Sec. 13.)

28 Source Law

29 Sec. 13. The board of directors of the district
30 shall name one or more banks within the district to
31 serve as depository for the funds of the district. All
32 such funds, as derived and collected, shall be
33 immediately deposited with such depository bank or
34 banks for the payment of principal of and interest on
35 the outstanding bonds of the district in time that such
36 money may be received by said bank or banks for payment
37 on or prior to the date of maturity of such principal
38 and interest to be paid. To the extent that funds in
39 the depository bank or banks are not insured by the
40 Federal Deposit Insurance Corporation, they shall be
41 secured in the manner provided by law for security of
42 county funds. Membership on the board of directors of
43 an officer or director of a bank shall not disqualify
44 such bank from being designated as depository.

1 Revisor's Note

2 Section 13, Chapter 211, Acts of the 64th
3 Legislature, Regular Session, 1975, refers to money
4 "derived and collected." The revised law substitutes
5 "on receipt" for the quoted language because the terms
6 are synonymous, and the former is more commonly used.

7 [Sections 1077.157-1077.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

9 Revised Law

10 Sec. 1077.201. BONDS. The board may issue and sell bonds
11 to:

12 (1) purchase, construct, acquire, repair, or renovate
13 buildings and improvements; and

14 (2) equip buildings and improvements for hospital
15 purposes. (Acts 64th Leg., R.S., Ch. 211, Sec. 9 (part).)

16 Source Law

17 Sec. 9. The board of directors of the hospital
18 district shall have the power and authority to issue
19 and sell bonds for the purchase, construction,
20 acquisition, repair, or renovation of buildings and
21 improvements and equipping the same for hospital
22 purposes;

23 Revisor's Note

24 Section 9, Chapter 211, Acts of the 64th
25 Legislature, Regular Session, 1975, refers to issuing
26 bonds for certain hospital authority purposes. The
27 revised law omits that provision because the revised
28 law authorizes the issuance of bonds generally for any
29 hospital facility. The omitted law reads:

30 Sec. 9. . . . including but not
31 limited to the purchasing and acquiring,
32 and from time to time improving, repairing,
33 renovating, and equipping all buildings,
34 improvements, furnishings, and equipment of
35 any hospital authority established prior to
36 the election for the creation of the
37 hospital district and pursuant to the
38 provisions of Article 4437e, Vernon's Texas
39 Civil Statutes, and located wholly within
40 the boundaries of the hospital
41 district. . . .

1 Revised Law

2 Sec. 1077.202. TAX TO PAY BONDS. (a) The board may issue
3 bonds under Section 1077.201 payable from ad valorem taxes. If the
4 bonds are payable from ad valorem taxes, the board shall impose an
5 ad valorem tax to create an interest and sinking fund sufficient to
6 pay the 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 75
9 cents on each \$100 valuation of all taxable property in the
10 district. (Acts 64th Leg., R.S., Ch. 211, Sec. 9 (part).)

11 Source Law

12 Sec. 9. [The board of directors of the hospital
13 district shall have the power and authority to issue
14 . . . bonds] Such bonds may be payable from
15 (1) a tax levied to create an interest and sinking fund
16 sufficient to pay the interest on and principal of the
17 bonds, as the same become due and mature, provided such
18 tax together with any other taxes levied by the
19 district shall not exceed 75 cents on each \$100
20 valuation of taxable property in any one year, or
21

22 Revisor's Note

23 Section 9, Chapter 211, Acts of the 64th
24 Legislature, Regular Session, 1975, authorizes the
25 district to impose a tax to pay the principal of and
26 interest on bonds. The revised law specifies that the
27 tax is an "ad valorem" tax because it is clear from the
28 source law that the tax is a property tax, and "ad
29 valorem" is the term most commonly used to refer to a
30 property tax.

31 Revised Law

32 Sec. 1077.203. BOND ELECTION. (a) The district may issue
33 bonds under Section 1077.201 that are payable from taxes only if the
34 bonds are authorized by a majority of the district voters voting at
35 an election held for that purpose.

36 (b) The board may order the election on its own motion.

37 (c) The order calling the election must specify:

38 (1) the date of the election;

39 (2) the location of the polling places;

- 1 (3) the presiding election officers;
- 2 (4) the purpose of the bond issuance;
- 3 (5) the amount of the bonds to be authorized; and
- 4 (6) the maximum maturity of the bonds.

5 (d) Notice of a bond election shall be given by publishing a
6 substantial copy of the order calling the election in a newspaper of
7 general circulation in the district once each week for two
8 consecutive weeks before the date of the election. The first
9 publication must occur at least 14 days before the date of the
10 election. (Acts 64th Leg., R.S., Ch. 211, Sec. 9 (part).)

11 Source Law

12 Sec. 9. . . . No bonds payable from taxes
13 (except refunding bonds and bonds issued to purchase
14 and acquire all buildings, improvements, furnishings,
15 and equipment of a hospital authority, as provided in
16 Section 8(b) of this Act) shall be issued by the
17 hospital district until authorized by a majority vote
18 of the resident qualified electors, who own taxable
19 property within the district and who have duly
20 rendered the same for taxation, voting at an election
21 called and held for such purpose. Such election for the
22 authorization to issue tax bonds may be called by the
23 board of directors on its own motion, and the order
24 calling the election shall specify the date of the
25 election, the place or places where the election shall
26 be held, the presiding officers thereof, the purpose
27 for which the bonds are to be issued, the amount
28 thereof, and the maximum maturity date of such bonds
29 Notice of such bond election shall be given by
30 publishing a substantial copy of the order calling the
31 election in a newspaper of general circulation in the
32 district once a week for two consecutive weeks, the
33 date of the first publication to be at least 14 days
34 prior to the date set for the election. . . .

35 Revisor's Note

36 (1) Section 9, Chapter 211, Acts of the 64th
37 Legislature, Regular Session, 1975, provides that
38 "[n]o bonds . . . (except refunding bonds . . .)" may
39 be issued without an election. The revised law omits
40 the exception for refunding bonds because Chapter
41 1207, Government Code, provides general authority for
42 an issuer, including a hospital district, to issue
43 refunding securities, and Section 1207.003,
44 Government Code, authorizes an issuer to issue
45 refunding bonds without an election.

1 (2) Section 9, Chapter 211, Acts of the 64th
2 Legislature, Regular Session, 1975, provides that
3 "[n]o bonds . . . except . . . bonds issued to purchase
4 and acquire" buildings and equipment of a hospital
5 authority as "provided in Section 8(b) of this Act" may
6 be issued without an election. As explained in the
7 revisor's note at the end of this chapter, Section 8,
8 Chapter 211, is executed. The revised law therefore
9 omits the reference.

10 (3) Section 9, Chapter 211, Acts of the 64th
11 Legislature, Regular Session, 1975, refers to a
12 majority vote of the "resident qualified electors, who
13 own taxable property within the district and who have
14 duly rendered the same for taxation." The revised law
15 omits the reference to "resident qualified electors"
16 as unnecessary in this context because Chapter 11,
17 Election Code, governs eligibility to vote in an
18 election in this state and allows only "qualified"
19 voters who are residents of the territory covered by
20 the election to vote in an election. The revised law
21 substitutes "voter" for "elector" because the former
22 is the term used in the Election Code. In addition,
23 the revised law omits the reference to voters "who own
24 taxable property within the district and who have duly
25 rendered the same for taxation" because in Hill v.
26 Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the United
27 States Supreme Court determined that property
28 ownership as a qualification for voting is an
29 unconstitutional denial of equal protection.

30 (4) Section 9, Chapter 211, Acts of the 64th
31 Legislature, Regular Session, 1975, provides that the
32 district may not issue bonds payable from taxes until
33 authorized by an election "called and held" for that
34 purpose. The revised law omits the reference to

1 "calling" an election because, in this context,
2 "calling" an election is included in the meaning of
3 "holding" an election. Under Chapter 3, Election
4 Code, all elections must be ordered (called) before
5 they may be held.

6 Revised Law

7 Sec. 1077.204. REVENUE BONDS. (a) The board may issue
8 bonds under Section 1077.201 payable from the district's revenue.
9 The board may issue the revenue bonds without an election.

10 (b) The bonds must be payable from all or part of the revenue
11 derived from the operation of the district's hospitals.

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 and in accordance
15 with the procedures and requirements prescribed by Sections
16 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
17 and Safety Code, for issuance of revenue bonds by a county hospital
18 authority. (Acts 64th Leg., R.S., Ch. 211, Sec. 9 (part).)

19 Source Law

20 Sec. 9. [The board of directors of the hospital
21 district shall have the power and authority to issue
22 . . . bonds] . . . Such bonds may be payable from
23 . . . (2) all or any part of the revenues of the
24 district to be derived from the operation of its
25 hospital or hospitals, and such revenue bonds may be
26 additionally secured by a mortgage or deed-of-trust
27 lien on any part or all of its properties. . . .

28 Revenue bonds of the district may be issued
29 without an election in the manner and in accordance
30 with the procedures and requirements specified for the
31 issuance of revenue bonds by county hospital
32 authorities in Sections 8, 10, 11, 12, and 13 of
33 Article 4494r, Vernon's Texas Civil Statutes. . . .

34 Revisor's Note

35 Section 9, Chapter 211, Acts of the 64th
36 Legislature, Regular Session, 1975, refers to Sections
37 8, 10, 11, 12, and 13 of Article 4494r, Vernon's Texas
38 Civil Statutes. Those provisions were codified in
39 1989 as Sections 264.042, 264.043, 264.046, 264.047,
40 264.048, and 264.049, Health and Safety Code. The
41 revised law is drafted accordingly.

1 Revised Law

2 Sec. 1077.205. MATURITY OF TAX BONDS. District bonds
3 payable from taxes must mature not later than 40 years after the
4 date of issuance. (Acts 64th Leg., R.S., Ch. 211, Sec. 9 (part).)

5 Source Law

6 Sec. 9. [. . . bonds payable from taxes . . .
7 the order calling the election shall specify] . . .
8 the maximum maturity date of such bonds (not to exceed
9 40 years from the date of issuance). . . .

10 Revised Law

11 Sec. 1077.206. EXECUTION OF BONDS. (a) The board president
12 shall execute the district bonds in the district's name.

13 (b) The board secretary shall countersign the bonds. (Acts
14 64th Leg., R.S., Ch. 211, Sec. 9 (part).)

15 Source Law

16 Sec. 9. . . . Such bonds shall be executed in
17 the name of the hospital district and on its behalf by
18 the president of the board of directors and
19 countersigned by the secretary of the board of
20 directors and

21 Revisor's Note

22 Section 9, Chapter 211, Acts of the 64th
23 Legislature, Regular Session, 1975, provides that
24 district bonds are subject to the law governing
25 counties that relates to bond approval by the attorney
26 general and registration of the bonds by the
27 comptroller. Section 9 also provides that after
28 approval and registration the bonds are "incontestable
29 for any cause." The revised law omits those provisions
30 as superseded by Chapter 1202, Government Code
31 (enacted as Article 3, Chapter 53, Acts of the 70th
32 Legislature, 2nd Called Session, 1987). Section
33 1202.003(a), Government Code, requires bonds to be
34 submitted to the attorney general. Section
35 1202.003(b), Government Code, provides for approval of
36 the bonds by the attorney general and requires the
37 attorney general to submit the approved bonds to the
38 comptroller for registration. Section 1202.005,

1 Government Code, requires registration of the bonds by
2 the comptroller. Section 1202.006, Government Code,
3 provides that after approval and registration the
4 bonds are incontestable and binding obligations.
5 Chapter 1202, Government Code, applies to district
6 bonds by application of Section 1202.001, Government
7 Code. The omitted law reads:

8 Sec. 9. . . . [Such bonds] . . .
9 shall be subject to the same requirements in
10 the matter of approval thereof by the
11 Attorney General of the State of Texas and
12 the registration thereof by the Comptroller
13 of Public Accounts of the State of Texas as
14 are by law provided for such approval and
15 registration of bonds of counties of this
16 state. Upon the approval of such bonds by
17 the Attorney General of Texas and
18 registration by the comptroller, the same
19 shall be incontestable for any cause.

20 Revisor's Note
21 (End of Subchapter)

22 (1) Section 9, Chapter 211, Acts of the 64th
23 Legislature, Regular Session, 1975, provides that
24 district bonds may be made optional for redemption
25 before maturity. The revised law omits this provision
26 because Section 1201.021, Government Code, provides
27 that a public security may be issued as redeemable
28 before maturity at one or more specified times.
29 Section 1201.021, Government Code, applies to district
30 bonds by application of Section 1201.002, Government
31 Code. The omitted law reads:

32 Sec. 9. . . . The bonds of the
33 district may be made optional for
34 redemption prior to maturity date at the
35 discretion of the board of directors,
36

37 (2) Section 9, Chapter 211, Acts of the 64th
38 Legislature, Regular Session, 1975, provides that
39 district bonds may be in any denomination fixed in the
40 order issuing the bonds. The revised law omits this
41 provision because Section 1201.021, Government Code,
42 provides that the governing body of an issuer,

1 including a hospital district, may issue bonds in any
2 denomination. Section 9 also provides that bonds may
3 be issued and sold at any price determined by the
4 district's board and may bear interest at any rate
5 determined by the district's board. The revised law
6 omits this provision as superseded by the enactment of
7 the maximum interest rate provision found in Section
8 1204.006, Government Code. That section reflects the
9 1981 amendment of Chapter 3, Acts of the 61st
10 Legislature, Regular Session, 1969 (Article 717k-2,
11 Vernon's Texas Civil Statutes, now Chapter 1204,
12 Government Code), by Section 1, Chapter 61, Acts of the
13 67th Legislature, Regular Session, 1981. Section
14 1204.006(b), Government Code, provides that an issuer,
15 including a hospital district, may sell public
16 securities at any price and bearing interest at any
17 rate or rates that does not exceed the maximum rate
18 prescribed by Section 1204.006(a). The omitted law
19 reads:

20 Sec. 9. . . . [The bonds of the
21 district] . . . may be in any denomination
22 fixed and determined in the order
23 authorizing the issuance of such
24 securities, and may be issued and sold at
25 any price or prices and bear interest at any
26 rate or rates as shall be determined within
27 the discretion of the board of directors of
28 the district. . . .

29 (3) Section 10, Chapter 211, Acts of the 64th
30 Legislature, Regular Session, 1975, authorizes the
31 district to issue refunding bonds for bonds issued or
32 assumed under that act. The revised law omits these
33 provisions for the reason stated in Revisor's Note (1)
34 to Section 1077.203. Section 10 also provides that
35 refunding bonds issued under Section 10 must bear
36 interest at the same or lower rate than the bonds being
37 refunded unless the refunding will result in a lower
38 total amount of interest paid. The revised law omits

1 this provision because it has been superseded by the
2 enactment of the maximum interest rate provision found
3 in Section 1204.006, Government Code. That section
4 reflects the 1981 amendment of Chapter 3, Acts of the
5 61st Legislature, Regular Session, 1969 (Article
6 717k-2, Vernon's Texas Civil Statutes, now Chapter
7 1204, Government Code), by Section 1, Chapter 61, Acts
8 of the 67th Legislature, Regular Session, 1981, and
9 permits a public agency, including a hospital
10 district, to issue public securities at any net
11 effective interest rate of 15 percent or less. Section
12 1204.006, Government Code, applies to district bonds
13 by application of Section 1204.001, Government Code.
14 The omitted law reads:

15 Sec. 10. The board of directors may,
16 without an election, issue bonds of the
17 district (payable from taxes or revenues)
18 to refund and pay off any validly issued and
19 outstanding bonds heretofore or hereafter
20 issued by the district and any bonds or
21 other obligations assumed by it under the
22 provisions of Section 8 of this Act;
23 provided, any such refunding bonds shall
24 bear interest at the same rate or at a
25 lesser rate than the bonds being refunded
26 unless it be shown mathematically that a
27 savings will result in the total amount of
28 interest to be paid. If the district assumes
29 any revenue bonds of a hospital authority,
30 it may refund them with the same authority
31 and in the same manner as if the district
32 had originally issued such bonds and
33 pursuant to any general law of the State of
34 Texas authorizing refunding bonds and
35 applicable to hospital districts.

36 (4) Section 11, Chapter 211, Acts of the 64th
37 Legislature, Regular Session, 1975, provides that
38 district bonds are authorized investments for certain
39 entities. The revised law omits the provision as
40 unnecessary. As to several of the entities listed,
41 Section 11 has been superseded and impliedly repealed.
42 Investments in securities by banks are regulated by
43 Section 34.101, Finance Code (enacted in 1995 as
44 Section 5.101, Texas Banking Act (Article 342-5.101,

1 Vernon's Texas Civil Statutes)). Investments in
2 securities by savings banks are regulated by Section
3 93.001(c)(10), Finance Code (enacted in 1993 as
4 Section 7.15(10), Texas Savings Bank Act (Article
5 489e, Vernon's Texas Civil Statutes)). Investments in
6 securities by trust companies are regulated by Section
7 184.101, Finance Code (enacted in 1997 as Section
8 5.101, Texas Trust Company Act (Article 342a-5.101,
9 Vernon's Texas Civil Statutes)). Investments in
10 securities by savings and loan associations are
11 regulated by Sections 63.002 and 64.001, Finance Code.
12 As to the remaining entities listed, Section 11 is
13 superseded by Section 1201.041, Government Code,
14 enacted as Section 9, Bond Procedures Act of 1981
15 (Article 717k-6, Vernon's Texas Civil Statutes).
16 Section 1201.041, Government Code, applies to district
17 bonds by application of Section 1201.002, Government
18 Code. The revised law omits the reference to public
19 funds of this state because it has been superseded by
20 Section 404.024, Government Code (enacted in 1985 as
21 Section 2.014, Treasury Act (Article 4393-1, Vernon's
22 Texas Civil Statutes)), which governs the investment
23 of state funds. Section 404.024(b)(10), Government
24 Code, authorizes the investment of state funds in
25 obligations of political subdivisions, including
26 hospital districts. The omitted law reads:

27 Sec. 11. All bonds of the district
28 shall be and are hereby declared to be legal
29 and authorized investments of banks,
30 savings banks, trust companies, building
31 loan associations, savings and loan
32 associations, insurance companies,
33 fiduciaries, trustees, and sinking funds of
34 cities, towns, villages, counties, school
35 districts, or other political subdivisions
36 of the State of Texas, and for all public
37 funds of the State of Texas or its agencies,
38 including the State Permanent School
39 Fund. . . .

40 (5) Section 11, Chapter 211, Acts of the 64th

1 Legislature, Regular Session, 1975, effectively
2 provides that district bonds may secure deposits of
3 public funds of this state or political subdivisions
4 of this state. The revised law omits the provisions as
5 impliedly repealed by Section 404.0221, Government
6 Code (enacted in 1995), which lists eligible
7 collateral for deposits of state funds by the
8 comptroller, and by Chapter 2257, Government Code
9 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
10 Statutes), which governs eligible collateral for
11 deposits of funds of other public agencies, including
12 political subdivisions. The omitted law reads:

13 Sec. 11. . . . Such bonds shall be
14 eligible to secure deposit of public funds
15 of the State of Texas and public funds of
16 cities, towns, villages, counties, school
17 districts, or other political subdivisions
18 or corporations of the State of Texas; and
19 such bonds shall be lawful and sufficient
20 security for said deposits to the extent of
21 their value when accompanied by all
22 unmatured coupons appurtenant thereto.

23 [Sections 1077.207-1077.250 reserved for expansion]

24 SUBCHAPTER F. TAXES

25 Revised Law

26 Sec. 1077.251. IMPOSITION OF AD VALOREM TAX. (a) On final
27 approval of the annual budget, the board shall impose a tax on all
28 property in the district subject to district taxation.

29 (b) The board shall impose the tax to:

30 (1) pay the interest on and create a sinking fund for
31 bonds issued or assumed by the district for hospital purposes; and

32 (2) care for indigents. (Acts 64th Leg., R.S., Ch.
33 211, Secs. 6 (part), 7 (part).)

34 Source Law

35 Sec. 6. . . . upon final approval of the budget,
36 the board of directors shall levy such tax as may be
37 required and

38 Sec. 7. The board of directors of the hospital
39 district shall have the power and authority and it
40 shall be their duty to levy on all property subject to
41 hospital-district taxation for the benefit of the
42 district a tax . . . for the purpose of (1) paying the
43 interest on and creating a sinking fund for bonds

1 (including those assumed) of the hospital district for
2 hospital purposes as herein provided, . . . and (2)
3 the care of indigents. . . .

4 Revisor's Note

5 Section 6, Chapter 211, Acts of the 64th
6 Legislature, Regular Session, 1975, requires the board
7 to certify the tax rate to the tax assessor-collector.
8 The revised law omits that provision because Section
9 26.05(a), Tax Code, requires the governing body of a
10 taxing unit to adopt a tax rate for the current tax
11 year and to notify the tax assessor of that rate. The
12 omitted law reads:

13 Sec. 6. . . . [the board of directors
14 shall] . . . certify the tax rate for such
15 year to the tax assessor and collector of
16 the district, and

17 Revised Law

18 Sec. 1077.252. TAX RATE. (a) The board may impose the tax
19 at a rate not to exceed 75 cents on each \$100 valuation of all
20 taxable property in the district.

21 (b) Not more than 65 cents of the rate authorized by
22 Subsection (a) may be imposed in any year to pay the interest on and
23 create a sinking fund for bonds issued or assumed by the district
24 for hospital purposes. (Acts 64th Leg., R.S., Ch. 211, Sec. 7
25 (part).)

26 Source Law

27 Sec. 7. [The board of directors . . . shall
28 . . . levy . . . a tax] at a rate not to exceed 75 cents
29 on the \$100 valuation of all taxable property within
30 the hospital district [for the purpose of (1) paying
31 the interest on and creating a sinking fund for bonds
32 (including those assumed) of the hospital district for
33 hospital purposes as herein provided,] but no more
34 than 65 cents may be levied for such purpose in any one
35 year,

36 Revised Law

37 Sec. 1077.253. TAX ASSESSOR-COLLECTOR. (a) Except as
38 provided by Subsection (b), the tax assessor-collector of Cooke
39 County shall assess and collect taxes imposed by the district.

40 (b) The board may appoint a district tax assessor-collector
41 under Section 285.041, Health and Safety Code. (Acts 64th Leg.,

1 R.S., Ch. 211, Secs. 6 (part), 7 (part).)

2 Source Law

3 Sec. 6. . . . it shall be the duty of said tax
4 assessor and collector of the district to assess and
5 collect such tax.

6 Sec. 7. . . . The Tax Assessor and/or Collector
7 of Cooke County shall be charged and required to
8 accomplish the assessment and collection of all taxes
9 levied by and on behalf of the district. . . .

10 In the alternative, the board of directors of the
11 district, in its sole discretion, may . . . appoint
12 its own tax assessor and collector, pursuant to and in
13 accordance with the provisions of Chapter 595, Acts of
14 the 62nd Legislature, 1971 (compiled as Article
15 4494-4, Vernon's Texas Civil Statutes).

16 Revisor's Note

17 (1) Section 7, Chapter 211, Acts of the 64th
18 Legislature, Regular Session, 1975, refers to the
19 assessment of district taxes on county tax values and
20 also authorizes the board of directors to prepare a
21 separate and distinct tax roll for the district. The
22 revised law omits those provisions because they were
23 repealed by Section 6(b), Chapter 841, Acts of the 66th
24 Legislature, Regular Session, 1979, which repealed all
25 "general, local, and special laws" that conflicted
26 with that act. The 1979 act enacted the Property Tax
27 Code (Title 1, Tax Code), a comprehensive, substantive
28 codification of property tax law. Title 1, Tax Code,
29 provides the exclusive procedures for the imposition
30 and collection of property taxes by a taxing unit,
31 including a hospital district. The omitted law reads:

32 Sec. 7. . . . Unless otherwise
33 determined by the board of directors, all
34 taxable property within the hospital
35 district subject to hospital-district
36 taxation shall be assessed on county tax
37 values in the same manner as provided by law
38 with relation to county taxes. . . .

39 [In the alternative, the board of
40 directors of the district, in its sole
41 discretion, may] cause to be prepared a
42 separate and distinct tax roll for the
43 district and

44 (2) Section 7, Chapter 211, Acts of the 64th
45 Legislature, Regular Session, 1975, provides that the
46 county tax assessor-collector may charge a fee for the

1 assessment and collection of district taxes. The
2 revised law omits that provision because it was
3 repealed by Section 6(b), Chapter 841, Acts of the 66th
4 Legislature, Regular Session, 1979. See Revisor's
5 Note (1). Section 6.27(b), Tax Code, provides for the
6 compensation of a county tax assessor-collector
7 assessing and collecting taxes for another taxing
8 unit. The omitted law reads:

9 Sec. 7. . . . The county assessor and
10 collector of taxes shall charge and deduct
11 from payments to the hospital district the
12 dues for assessing and collecting the taxes
13 at a rate of not to exceed one percent of the
14 taxes collected as may be agreed upon by the
15 district and the tax assessor, but in no
16 event shall the amount of such compensation
17 exceed a total of \$5,000 in any one fiscal
18 year of the district. Such fees shall be
19 deposited in the officers' salary fund of
20 the county and reported as fees of office of
21 the county tax assessor and
22 collector. . . .

23 (3) Section 7, Chapter 211, Acts of the 64th
24 Legislature, Regular Session, 1975, provides that
25 interest and penalties on district taxes and discounts
26 are the same as for county taxes. The revised law
27 omits that provision because it was repealed by
28 Section 6(b), Chapter 841, Acts of the 66th
29 Legislature, Regular Session, 1979. See Revisor's
30 Note (1). Chapter 33, Tax Code, provides for the
31 assessment of penalties and interest on delinquent
32 taxes, and Section 31.05, Tax Code, provides for
33 discounts on the early payment of taxes. The omitted
34 law reads:

35 Sec. 7. . . . Interest and penalties
36 on taxes paid to the hospital district shall
37 be the same as in the case of county taxes.
38 Discounts shall be the same as allowed by
39 the county. . . .

40 (4) Section 7, Chapter 211, Acts of the 64th
41 Legislature, Regular Session, 1975, provides that tax
42 revenue shall be deposited in the district's
43 depository. The revised law omits the provision

1 because Section 31.10, Tax Code, requires the tax
2 assessor-collector of a taxing unit to deposit taxes
3 collected in the unit's depository. The omitted law
4 reads:

5 Sec. 7. . . . The residue of tax
6 collections, after deduction of discounts
7 and fees for assessing and collecting,
8 shall be deposited in the district's
9 depository. . . .

10 (5) Section 7, Chapter 211, Acts of the 64th
11 Legislature, Regular Session, 1975, provides that the
12 bond of the county tax assessor-collector is security
13 for the performance of district duties unless the
14 board determines that an additional bond is necessary.
15 The revised law omits that provision because it
16 duplicates Section 6.29(b), Tax Code, which authorizes
17 a taxing unit for which the county tax
18 assessor-collector collects a tax to require that
19 collector to post an additional bond. The omitted law
20 reads:

21 Sec. 7. . . . The bond of the county
22 tax assessor-collector shall stand as
23 security for the proper performance of his
24 duties as assessor-collector of the
25 district or, if in the judgment of the
26 district board of directors it is
27 necessary, additional bond payable to the
28 district may be required. . . .

29 (6) Section 7, Chapter 211, Acts of the 64th
30 Legislature, Regular Session, 1975, states that the
31 tax assessor-collector may act in accordance with
32 state law relating to the assessment, collection, and
33 enforcement of state and county taxes. The revised law
34 omits that provision as unnecessary. The state law
35 relating to the assessment, collection, and
36 enforcement of all ad valorem taxes is Title 1, Tax
37 Code. Section 1.02, Tax Code, requires all taxing
38 units of government to administer the assessment,
39 collection, and enforcement of taxes in conformity
40 with that title. The omitted law reads:

1 Sec. 7. . . . In all matters
2 pertaining to the assessment, collection,
3 and enforcement of taxes for the district,
4 the county tax assessor-collector shall be
5 authorized to act in all respects according
6 to the laws of the State of Texas relating
7 to state and county taxes. . . .

8 (7) Section 7, Chapter 211, Acts of the 64th
9 Legislature, Regular Session, 1975, authorizes the
10 board to appoint a district tax assessor-collector
11 "pursuant to and in accordance with the provisions of
12 Chapter 595, Acts of the 62nd Legislature, 1971
13 (compiled as Article 4494-4, Vernon's Texas Civil
14 Statutes)." Chapter 595, Acts of the 62nd
15 Legislature, Regular Session, 1971, was compiled as
16 Article 4494r-4, Vernon's Texas Civil Statutes, and
17 was codified in 1989 as Section 285.041, Health and
18 Safety Code. The revised law is drafted accordingly.

19 Revisor's Note
20 (End of Subchapter)

21 Section 7, Chapter 211, Acts of the 64th
22 Legislature, Regular Session, 1975, provides that the
23 district may impose taxes for the entire year in which
24 the district is created. The revised law omits that
25 provision as executed. The omitted law reads:

26 Sec. 7. . . . The board of directors
27 shall have the authority to levy the
28 aforesaid tax for the entire year in which
29 said district is established as the result
30 of the election herein provided. . . .

31 Revisor's Note
32 (End of Chapter)

33 (1) Article 1, Chapter 428, Acts of the 77th
34 Legislature, Regular Session, 2001, amends Chapter
35 211, Acts of the 64th Legislature, Regular Session,
36 1975, by adding Sections 1A and 18A, which provide
37 authority to call an election on the dissolution of the
38 Gainesville Hospital District contingent on the
39 creation of the Cooke County Hospital District.
40 Section 3.02(b), Chapter 428, Acts of the 77th

1 Legislature, Regular Session, 2001, provides that the
2 "election in the Gainesville Hospital District . . .
3 must be held before the fifth anniversary of the
4 effective date of this Act." The effective date of
5 Chapter 428 was May 28, 2001. Because voters did not
6 approve the creation of the Cooke County Hospital
7 District before May 28, 2006 (the fifth anniversary of
8 the effective date of Chapter 428), the authority to
9 call an election on the dissolution of the Gainesville
10 Hospital District has expired. Therefore, the revised
11 law omits Sections 1A and 18A. The omitted law reads:

12 Sec. 1A. On the dissolution of the
13 Gainesville Hospital District and the
14 approval of the creation of the Cooke County
15 Hospital District, a reference in this Act
16 or in any other law to the Gainesville
17 Hospital District means the Cooke County
18 Hospital District.

19 Sec. 18A. (a) Notwithstanding the
20 provisions of any other section of this Act,
21 the Gainesville Hospital District may be
22 dissolved as provided by this section.

23 (b) The board of directors may order
24 an election on the question of the
25 dissolution of the Gainesville Hospital
26 District, creation of the Cooke County
27 Hospital District, transfer of the
28 Gainesville Hospital District's assets and
29 obligations to the Cooke County Hospital
30 District, and assumption by the Cooke
31 County Hospital District of the Gainesville
32 Hospital District's outstanding debts.

33 (c) The board shall order an election
34 if:

35 (1) the board has reasonable
36 grounds to conclude that the board of the
37 Muenster Hospital District will order an
38 election under Section 20c, Chapter 477,
39 Acts of the 59th Legislature, Regular
40 Session, 1965; or

41 (2) the board receives a
42 petition requesting an election on the
43 question of the dissolution of the
44 Gainesville Hospital District, creation of
45 the Cooke County Hospital District, and
46 transfer of assets that is signed by at
47 least 15 percent of the registered voters in
48 the Gainesville Hospital District.

49 (d) If the board of directors orders
50 an election under this section, it shall
51 promptly notify the board of directors of
52 the Muenster Hospital District of the
53 election order.

54 (e) The election shall be held not
55 less than 45 or more than 60 days after the
56 date on which an election is ordered and

1 shall be held on the same date that the
2 separate election in the Muenster Hospital
3 District is held. The board of directors
4 shall cooperate with the board of directors
5 of the Muenster Hospital District in
6 setting the date of the elections. Section
7 41.001(a), Election Code, does not apply to
8 an election ordered under this section.

9 (f) The ballot for the election shall
10 be printed to permit voting for or against
11 the proposition: "The dissolution of the
12 Gainesville Hospital District and creation
13 of the Cooke County Hospital District,
14 providing for the levy of a tax not to
15 exceed 75 cents on each \$100 valuation on
16 all taxable property in the Cooke County
17 Hospital District, and providing for the
18 transfer to and assumption by the Cooke
19 County Hospital District of all outstanding
20 bonds and indebtedness issued or refunded
21 for hospital purposes by the Gainesville
22 Hospital District and the transfer of the
23 existing Gainesville Hospital District's
24 assets to the Cooke County Hospital
25 District."

26 (g) Except as provided by Subsections
27 (e) and (f) of this section, the election
28 shall be held in accordance with the
29 applicable provisions of the Election Code.

30 (h) The Gainesville Hospital
31 District is dissolved if:

32 (1) a majority of the voters in
33 the Gainesville Hospital District voting in
34 the election held under this section favor
35 the proposition; and

36 (2) a majority of the voters in
37 the Muenster Hospital District voting in an
38 election held on the same date under Section
39 20c, Chapter 477, Acts of the 59th
40 Legislature, Regular Session, 1965, favor
41 the dissolution of the Muenster Hospital
42 District, the creation of the Cooke County
43 Hospital District, the transfer of the
44 assets of the Muenster Hospital District to
45 the Cooke County Hospital District, and the
46 assumption of the assets and obligations of
47 the Muenster Hospital District by the Cooke
48 County Hospital District.

49 (i) The Gainesville Hospital
50 District is not dissolved and the board of
51 directors shall continue to administer the
52 Gainesville Hospital District if a majority
53 of the voters in either the Gainesville
54 Hospital District or the Muenster Hospital
55 District do not favor the proposition on
56 which they voted.

57 (j) If the Gainesville Hospital
58 District is dissolved under this section,
59 the board of directors shall orderly
60 transfer the assets and obligations of the
61 Gainesville Hospital District to the Cooke
62 County Hospital District not later than the
63 180th day after the date of the election.

64 (k) The board of directors may not
65 hold an election on the question of
66 dissolution under this section and the
67 creation of the Cooke County Hospital
68 District before the first anniversary of
69 the most recent election held under this

1 section concerning the dissolution and the
2 creation of the Cooke County Hospital
3 District.

4 (2) Section 2, Chapter 211, Acts of the 64th
5 Legislature, Regular Session, 1975, states that Cooke
6 County or a municipality in the district does not have
7 outstanding debt incurred for hospital purposes and
8 that the Gainesville Hospital Authority is the only
9 political subdivision owning, operating, and
10 maintaining hospital facilities in the district's
11 boundaries at the time of the district's creation. The
12 revised law omits those provisions as executed. The
13 omitted law reads:

14 Sec. 2. . . . It is hereby found and
15 determined that neither Cooke County,
16 Texas, nor any city or town within the
17 boundaries of the hospital district herein
18 authorized to be created has any
19 outstanding indebtedness incurred for
20 hospital purposes and that the Gainesville
21 Hospital Authority (heretofore created and
22 established under the provisions of Chapter
23 472, Acts of the 55th Legislature, Regular
24 Session, 1957, as amended (Article 4437e,
25 Vernon's Texas Civil Statutes)), is the only
26 type of political subdivision of the State
27 of Texas currently owning, operating, and
28 maintaining hospital facilities within the
29 boundaries of the proposed Gainesville
30 Hospital District.

31 (3) Section 8, Chapter 211, Acts of the 64th
32 Legislature, Regular Session, 1975, provides for the
33 sale or transfer of certain land, buildings,
34 improvements, equipment, and funds to the district
35 after the district is created and provides for the
36 assumption of debt by the district on creation.
37 Because the transfer has occurred, the revised law
38 omits the provision as executed. The omitted law
39 reads:

40 Sec. 8. (a) In the event the
41 hospital district is established and
42 created, all right, title, and interest in
43 and to any buildings, improvements,
44 furnishings, and equipment owned and
45 operated by a hospital authority
46 established pursuant to Article 4437e,
47 Vernon's Texas Civil Statutes, and located
48 wholly within the boundaries of such

1 hospital authority, including the unspent
2 portions of any funds therefor set up or
3 appropriated by budget or otherwise for the
4 support and maintenance of hospital
5 facilities and for the security and payment
6 of outstanding debt, can be transferred to
7 and become the funds of the district. In
8 addition all obligations under contract by
9 such hospital authority for hospital
10 purposes, including any outstanding bonded
11 indebtedness of the hospital authority, can
12 be assumed and discharged by the hospital
13 district without prejudice to the rights of
14 third parties; and such hospital authority
15 by virtue of such assumption shall be by the
16 hospital district relieved of any further
17 liability for the payment thereof or for
18 providing interest and sinking-fund
19 requirements thereon; provided that nothing
20 herein contained shall limit or affect any
21 of the rights of any of the holders of such
22 bonds of the hospital authority in the event
23 of default in the payment of the principal
24 of or interest on any of such bonds in
25 accordance with their respective terms. As
26 soon as the hospital district is created and
27 authorized at the election hereinabove
28 provided, the governing body of such
29 hospital authority can complete the
30 transfer of properties herein authorized by
31 executing and delivering to the hospital
32 district, to wit, to its said board of
33 directors, an instrument in writing
34 conveying to said hospital district the
35 hospital property located within the
36 district's boundaries, including lands,
37 buildings, furnishings, and equipment; and
38 can transfer to said hospital district the
39 funds hereinabove provided to become vested
40 in the hospital district, upon being
41 furnished the certificate of the president
42 of the board of directors of the district to
43 the fact that a depository for the
44 district's funds has been selected and has
45 qualified, which funds shall, in the hands
46 of the hospital district and of its board of
47 directors, be used for all or any of the
48 same purposes as, and for no other purpose
49 than, the purposes for which said hospital
50 authority transferring such funds could
51 lawfully have used the same had they
52 remained the property and funds of such
53 hospital authority.

54 (b) In the alternative to Subsection
55 (a) of this section, the hospital district
56 is hereby authorized and empowered to
57 purchase from any such hospital authority,
58 as described in Subsection (a), and each
59 such hospital authority is hereby
60 authorized to sell to said hospital
61 district any and all of its hospital
62 facilities, including all lands, buildings,
63 equipment, and properties, at a price equal
64 to the cost of paying and retiring all of
65 the hospital authority's outstanding
66 revenue bonds by utilizing one or more of
67 the following methods, to wit: (1) by
68 selling district bonds for cash in an amount
69 sufficient to pay the authority's bonds and

1 any premiums required to the bondholders to
2 prepay the same prior to maturity or option
3 date, and the payment thereof by the
4 authority; or (2) by obtaining the consent
5 of the holders of the authority's
6 outstanding bonds to a purchase of the
7 authority's hospital facilities and
8 continuing the pledge of the revenues
9 securing the authority's revenue bonds; or
10 (3) by exchanging district bonds for such
11 outstanding revenue bonds or refunding them
12 with district bonds; or (4) by selling
13 district bonds for cash in an amount
14 necessary, without account for investment,
15 to pay and retire such revenue bonds (both
16 principal and interest) as they become due
17 or mature, but not longer than the earliest
18 option date, and making firm banking
19 arrangements for such outstanding revenue
20 bonds of the authority by depositing the
21 proceeds from the sale of the district's
22 bonds into an interest and sinking fund from
23 which such revenue bonds are payable; or (5)
24 any combination of the foregoing.

25 (4) Section 19, Chapter 211, Acts of the 64th
26 Legislature, Regular Session, 1975, provides that the
27 act is severable. The revised law omits this provision
28 because it duplicates Section 311.032, Government Code
29 (Code Construction Act), which provides that a
30 provision of a statute is severable from each other
31 provision of the statute that can be given effect. The
32 omitted law reads:

33 Sec. 19. If any of the provisions of
34 this Act or the application thereof to any
35 person or circumstances is held invalid,
36 such invalidity shall not affect other
37 provisions or applications of the Act which
38 can be given effect without the invalid
39 provision or application, and to this end
40 the provisions of this Act are declared to
41 be severable.

42 (5) Section 20, Chapter 211, Acts of the 64th
43 Legislature, Regular Session, 1975, provides that
44 public notice of enactment of the statute was provided
45 in a manner that satisfies the requirements of the
46 Texas Constitution. The revised law omits that
47 section as executed. The omitted law reads:

48 Sec. 20. Proof of publication of the
49 notice required in the enactment hereof
50 under the provisions of Section 9, Article
51 IX, Constitution of the State of Texas, has
52 been made in the manner and form provided by
53 law pertaining to the enactment of local and

1 special laws, and such notice is hereby
2 found and declared proper and sufficient to
3 satisfy such requirement.

4 CHAPTER 1078. HOUSTON COUNTY HOSPITAL DISTRICT

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15 CHAPTER 1078. HOUSTON COUNTY HOSPITAL DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Revised Law

18 Sec. 1078.001. 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 Houston County Hospital
23 District. (Acts 69th Leg., R.S., Ch. 766, Sec. 1.01.)

24 Source Law

25 Sec. 1.01. In this Act:

- 26 (1) "District" means the Houston County
27 Hospital District.
28 (2) "Board" means the board of directors
29 of the district.
30 (3) "Director" means a member of the
31 board.

32 Revised Law

33 Sec. 1078.002. AUTHORITY FOR OPERATION. The Houston County
34 Hospital District operates and is financed as provided by Section
35 9, Article IX, Texas Constitution, and by this chapter. (Acts 69th
36 Leg., R.S., Ch. 766, Sec. 1.02.)

1 district, which has the same boundaries as when the
2 district was created. Accordingly, the revised law
3 defines the district boundaries as of the effective
4 date of the act that made the boundaries coextensive
5 with the school district.

6 In addition, under Section 1033.003, Special
7 District Local Laws Code, the boundaries of the
8 Grapeland Hospital District of Houston County, Texas,
9 are coextensive with the boundaries of the Grapeland
10 Independent School District (as those boundaries
11 existed on May 26, 1971). For the reader's convenience
12 and because the boundaries are identical and have not
13 changed since that date, the revised law substitutes
14 "Grapeland Hospital District of Houston County, Texas"
15 for "Grapeland Independent School District."

16 Revised Law

17 Sec. 1078.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
18 OBLIGATION. The state may not become obligated for the support or
19 maintenance of the district. (Acts 69th Leg., R.S., Ch. 766, Sec.
20 9.01 (part).)

21 Source Law

22 Sec. 9.01. The state may not become obligated
23 for the support or maintenance of a hospital district
24 created under this Act,

25 Revised Law

26 Sec. 1078.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
27 The legislature may not make a direct appropriation for the
28 construction, maintenance, or improvement of a district facility.
29 (Acts 69th Leg., R.S., Ch. 766, Sec. 9.01 (part).)

30 Source Law

31 Sec. 9.01. . . . nor may the legislature make a
32 direct appropriation for the construction,
33 maintenance, or improvement of a facility of the
34 district.

35 Revisor's Note
36 (End of Subchapter)

37 Sections 3.01-3.09, Chapter 766, Acts of the 69th

1 Legislature, Regular Session, 1985, provide
2 procedures for holding an election on the creation of
3 the district and the imposition of an ad valorem tax.
4 Sections 3.01-3.09 also provide procedures for voters
5 to consider a proposition authorizing the issuance of
6 bonds by the district at the election approving the
7 creation of the district. Because the district has
8 been created, the revised law omits those provisions
9 as executed. The omitted law reads:

10 Sec. 3.01. The district may be
11 created and a tax may be authorized only if
12 the creation and the tax are approved by a
13 majority of the qualified voters of the
14 territory of the proposed district voting
15 at an election called and held for those
16 purposes.

17 Sec. 3.02. (a) A majority of the
18 temporary directors of the district may
19 order a creation election to be held.

20 (b) On presentation of a petition for
21 a creation election signed by at least three
22 percent of the registered voters of the
23 territory of the proposed district,
24 according to the most recent official lists
25 of registered voters, the temporary
26 directors shall order an election to be
27 held. The election shall be called not later
28 than the 60th day after the date the
29 petition is presented to the district.

30 Sec. 3.03. The order calling the
31 election must state:

32 (1) the nature of the election,
33 including the proposition that is to appear
34 on the ballot;

35 (2) the date of the election;

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

38 (4) the location of the polling
39 places.

40 Sec. 3.04. The temporary directors
41 shall give notice of the election by
42 publishing a substantial copy of the
43 election order in a newspaper with general
44 circulation in the proposed district once a
45 week for two consecutive weeks. The first
46 publication must appear at least 35 days
47 before the date set for the election.

48 Sec. 3.05. (a) The election shall be
49 held not less than 35 days nor more than 60
50 days after the date on which the election is
51 ordered.

52 (b) A general law requiring elections
53 to be held on uniform or specified election
54 dates does not apply to an election ordered
55 under this article.

56 Sec. 3.06. (a) The ballot for a
57 creation election shall be printed to
58 permit voting for or against the
59 proposition: "The creation of the Houston

1 County Hospital District and the levy of
2 annual taxes for hospital purposes at a rate
3 not to exceed 15 cents on each \$100
4 valuation of taxable property in the
5 district."

6 (b) The ballot may include a
7 proposition for the issuance of bonds in
8 accordance with Section 3.09 of this Act.

9 Sec. 3.07. (a) Not later than the
10 10th day after the date of the election, the
11 temporary directors of the district shall
12 meet and canvass the returns of the
13 election.

14 (b) If the temporary directors find
15 that the election results are favorable to
16 the proposition to create the district,
17 they shall issue an order declaring the
18 district created.

19 (c) If the temporary directors find
20 that the election results are not favorable
21 to the proposition to create the district,
22 another creation election may not be held
23 within 12 months after the date of the
24 election at which voters disapproved the
25 proposition.

26 Sec. 3.08. If the creation of the
27 district is not approved at an election held
28 within 60 months after the effective date of
29 this Act, this Act expires.

30 Sec. 3.09. (a) A petition for a
31 creation election under Section 3.02(b) of
32 this Act may include a request that a
33 proposition be submitted at the election to
34 determine whether or not the board may issue
35 district bonds if the district is created.
36 The petition must specify the maximum
37 amount of bonds to be issued and their
38 maximum maturity date.

39 (b) Even though a petition does not
40 request submission of a proposition on
41 whether the board may issue bonds or even
42 though the temporary directors have called
43 the election on their own motion under
44 Section 3.02(a) of this Act, the temporary
45 directors may submit a proposition at the
46 creation election on the issuance of bonds.

47 (c) If a bond proposition is
48 submitted to the voters, the ballot for the
49 election may include a proposition on the
50 issuance of bonds of the district on the
51 same day as the creation and tax levy
52 election.

53 (d) The board may issue bonds as
54 provided by this Act if a majority of the
55 votes cast at the election favor the
56 proposition to create the district,
57 authorize a tax, and issue bonds.

58 [Sections 1078.007-1078.050 reserved for expansion]

59 SUBCHAPTER B. DISTRICT ADMINISTRATION

60 Revised Law

61 Sec. 1078.051. BOARD ELECTION; TERM. (a) The district is
62 governed by a board of nine directors elected by place.

63 (b) Directors serve staggered two-year terms unless

1 four-year terms are established under Section 285.081, Health and
2 Safety Code. (Acts 69th Leg., R.S., Ch. 766, Secs. 4.01(a),
3 4.03(a), (d).)

4 Source Law

5 Sec. 4.01. (a) The district is governed by a
6 board of nine directors.

7 Sec. 4.03. (a) Members of the board of directors
8 shall be elected by place.

9 (d) After the initial election of directors, an
10 election shall be held on the first Saturday in April
11 of each year, and the appropriate number of directors
12 shall be elected for two-year terms.

13 Revisor's Note

14 (1) Section 4.01(b), Chapter 766, Acts of the
15 69th Legislature, Regular Session, 1985, provides that
16 the temporary directors serve as directors of the
17 district until elected directors take office. Because
18 a board of directors has been elected and taken office,
19 the revised law omits the provision as executed. The
20 omitted law reads:

21 (b) From the time the creation of the
22 district is approved until the elected
23 directors take office, the temporary
24 directors serve as directors of the
25 district.

26 (2) Section 4.03(b), Chapter 766, Acts of the
27 69th Legislature, Regular Session, 1985, provides that
28 the candidate receiving the highest number of votes
29 for a place is a director. The revised law omits the
30 provision because it duplicates Section 2.001,
31 Election Code, which provides that, except as
32 otherwise provided by law, to be elected to a public
33 office a candidate must receive more votes than any
34 other candidate for the office. The omitted law reads:

35 (b) The candidate for a place
36 receiving the highest number of votes for
37 election to that place is a director for the
38 district.

39 (3) Section 4.03(c), Chapter 766, Acts of the
40 69th Legislature, Regular Session, 1985, prescribes

1 the terms of the initial directors and, in doing so,
2 establishes staggered two-year terms for the
3 directors. The revised law omits the specific
4 provision relating to the terms of the initial
5 directors as executed but revises the establishment of
6 a board consisting of nine directors serving staggered
7 two-year terms. The omitted law reads:

8 (c) Those directors elected to fill
9 even-numbered places at the initial
10 election serve for a term of two years and
11 those elected to fill odd-numbered places
12 at the initial election of directors serve
13 for a term of one year.

14 (4) Section 4.03(d), Chapter 766, Acts of the
15 69th Legislature, Regular Session, 1985, provides that
16 directors serve for two years. Section 285.081,
17 Health and Safety Code, applicable to this hospital
18 district, provides a mechanism by which the governing
19 board of a hospital district may, on its own motion,
20 order that members are to be elected in even-numbered
21 years to serve staggered four-year terms. The revised
22 law is drafted accordingly and adds a reference to this
23 provision for the convenience of the reader.

24 (5) Section 4.03(d), Chapter 766, Acts of the
25 69th Legislature, Regular Session, 1985, prescribes
26 the procedures for elections "[a]fter the initial
27 election of directors." The quoted language is
28 omitted as executed. Section 4.03(d) also states that
29 directors' elections are held on the first Saturday in
30 April each year. The revised law omits that provision
31 as impliedly repealed by a 1986 amendment to Section
32 41.001, Election Code. Chapter 14, Acts of the 69th
33 Legislature, 3rd Called Session, 1986, amended Section
34 41.001, Election Code, to prescribe certain uniform
35 election dates. Section 37 of that act required a
36 political subdivision that had held its general
37 election of officers on the first Saturday in April to

1 hold that election on a uniform election date in May or
2 to choose a different uniform election day on which to
3 hold the election.

4 Revised Law

5 Sec. 1078.052. NOTICE OF ELECTION. At least 35 days before
6 the date of an election of directors, notice of the election shall
7 be published one time in a newspaper with general circulation in the
8 district. (Acts 69th Leg., R.S., Ch. 766, Sec. 4.04.)

9 Source Law

10 Sec. 4.04. At least 35 days before the date of
11 an election of directors, notice of the election shall
12 be published one time in a newspaper with general
13 circulation in the district.

14 Revised Law

15 Sec. 1078.053. 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:

19 (1) be signed by at least 100 registered voters of the
20 district as determined by the most recent official list of
21 registered voters;

22 (2) be filed not later than the 31st day before the
23 date of the election; and

24 (3) specify the place for which the person is to be a
25 candidate. (Acts 69th Leg., R.S., Ch. 766, Sec. 4.05.)

26 Source Law

27 Sec. 4.05. (a) A person who wishes to have his
28 name printed on the ballot as a candidate for director
29 must file with the secretary of the board of directors
30 a petition signed by at least 100 registered voters of
31 the district asking that his name be placed on the
32 ballot. The determination of whether a person is a
33 registered voter of the district shall be based on the
34 most recent official lists of registered voters.

35 (b) The petition must be filed with the
36 secretary not later than the 31st day before the date
37 of the election.

38 (c) The petition must specify the place for
39 which the applicant is to be a candidate.

40 Revised Law

41 Sec. 1078.054. QUALIFICATIONS FOR OFFICE. (a) To be
42 eligible to be a candidate for or to serve as a director, a person

1 must be:

2 (1) a resident of the district; and

3 (2) a qualified voter.

4 (b) A district employee may not serve as a director. (Acts
5 69th Leg., R.S., Ch. 766, Sec. 4.06.)

6 Source Law

7 Sec. 4.06. (a) To be eligible to be a candidate
8 for or to serve as a director, a person must be:

9 (1) a resident of the district; and

10 (2) a qualified voter.

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

13 Revised Law

14 Sec. 1078.055. 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) The board may pay for a director's bond with district
21 money.

22 (c) The bond shall be kept in the permanent records of the
23 district. (Acts 69th Leg., R.S., Ch. 766, Sec. 4.08.)

24 Source Law

25 Sec. 4.08. (a) Before assuming the duties of the
26 office, each director shall execute a bond for \$5,000
27 payable to the district, conditioned on the faithful
28 performance of the person's duties as director.

29 (b) The bond shall be kept in the permanent
30 records of the district.

31 (c) The board may pay for directors' bonds with
32 district funds.

33 Revised Law

34 Sec. 1078.056. BOARD VACANCY. If a vacancy occurs in the
35 office of director, the remaining directors shall appoint a
36 director for the unexpired term. (Acts 69th Leg., R.S., Ch. 766,
37 Sec. 4.09.)

38 Source Law

39 Sec. 4.09. A vacancy in the office of director
40 shall be filled for the unexpired term by appointment
41 by the remaining directors.

1 Revised Law

2 Sec. 1078.057. 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 69th Leg., R.S., Ch. 766, Secs. 4.10, 4.11.)

9 Source Law

10 Sec. 4.10. The board shall elect from among its
11 members a president and a vice-president. The board
12 shall also appoint a secretary. The secretary need not
13 be a director.

14 Sec. 4.11. (a) Each officer of the board serves
15 for a term of one year.

16 (b) A vacancy in a board office shall be filled
17 for the unexpired term by the board.

18 Revised Law

19 Sec. 1078.058. 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 69th Leg., R.S., Ch.
25 766, Sec. 4.12.)

26 Source Law

27 Sec. 4.12. Directors and officers serve without
28 compensation but may be reimbursed for actual expenses
29 incurred in the performance of official duties. Those
30 expenses must be reported in the district's minute book
31 or other district records and must be approved by the
32 board.

33 Revisor's Note

34 Section 4.12, Chapter 766, Acts of the 69th
35 Legislature, Regular Session, 1985, requires that
36 approved expenses be reported in the "district's
37 minute book or other district records." The revised
38 law omits the reference to the "district's minute book"
39 because the minute book is a district record.

1 Revised Law

2 Sec. 1078.059. VOTING REQUIREMENT. A concurrence of a
3 majority of the directors voting is necessary in any matter
4 relating to district business. (Acts 69th Leg., R.S., Ch. 766, Sec.
5 4.13.)

6 Source Law

7 Sec. 4.13. A concurrence of a majority of the
8 members of the board voting is necessary in matters
9 relating to the business of the district.

10 Revised Law

11 Sec. 1078.060. 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. 766, Secs. 4.14(a) (part), (b) (part),
23 (c) (part), (d).)

24 Source Law

25 Sec. 4.14. (a) The board may appoint qualified
26 persons as administrator of the district,

27 (b) The administrator, . . . serve at the will
28 of the board.

29 (c) The administrator, . . . are entitled to
30 compensation as determined by the board.

31 (d) Before assuming his duties, the
32 administrator shall execute a bond payable to the
33 hospital district in the amount of not less than \$5,000
34 as determined by the board, conditioned on the
35 faithful performance of his duties under this Act. The
36 board may pay for the bond with district funds.

37 Revised Law

38 Sec. 1078.061. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
39 Subject to the limitations prescribed by the board, the district
40 administrator shall:

41 (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. 766, Sec. 4.17.)

4 Source Law

5 Sec. 4.17. The administrator shall supervise
6 the work and activities of the district and shall
7 direct the general affairs of the district, subject to
8 the limitations prescribed by the board.

9 Revised Law

10 Sec. 1078.062. 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 69th Leg., R.S.,
17 Ch. 766, Secs. 4.14(a) (part), (b) (part), (c) (part).)

18 Source Law

19 Sec. 4.14. (a) The board may appoint qualified
20 persons as . . . assistant to the administrator, and
21 attorney for the district.

22 (b) The . . . assistant administrator, and
23 attorney serve at the will of the board.

24 (c) The . . . assistant administrator, and
25 attorney are entitled to compensation as determined by
26 the board.

27 Revised Law

28 Sec. 1078.063. APPOINTMENTS AND RECRUITMENT OF STAFF AND

29 EMPLOYEES. (a) The board may appoint to the staff any doctors the
30 board considers necessary for the efficient operation of the
31 district and may make temporary appointments as necessary.

32 (b) The district may employ technicians, nurses, fiscal
33 agents, accountants, architects, additional attorneys, and other
34 necessary employees.

35 (c) The board may delegate to the district administrator the
36 authority to employ persons for the district. (Acts 69th Leg.,
37 R.S., Ch. 766, Secs. 4.15, 4.16.)

38 Source Law

39 Sec. 4.15. The board may appoint to the staff
40 any doctors it considers necessary for the efficient

1 operation of the district and may make temporary
2 appointments as considered necessary.

3 Sec. 4.16. (a) The district may employ
4 technicians, nurses, fiscal agents, accountants,
5 architects, additional attorneys, and other necessary
6 employees.

7 (b) The board may delegate to the administrator
8 the authority to employ persons for the district.

9 Revised Law

10 Sec. 1078.064. RETIREMENT BENEFITS. The board may provide
11 retirement benefits for district employees by:

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

14 (2) participating in:

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

17 (B) another statewide retirement system in which
18 the district is eligible to participate. (Acts 69th Leg., R.S., Ch.
19 766, Sec. 4.18.)

20 Source Law

21 Sec. 4.18. The board may provide retirement
22 benefits for employees of the district by establishing
23 or administering a retirement program or by electing
24 to participate in the Texas County and District
25 Retirement System or in any other statewide retirement
26 system in which the district is eligible to
27 participate.

28 Revisor's Note

29 (End of Subchapter)

30 (1) Sections 2.01 and 2.02, Chapter 766, Acts of
31 the 69th Legislature, Regular Session, 1985, refer to
32 the appointment of temporary directors of the
33 district. The revised law omits those provisions as
34 executed. The omitted law reads:

35 Sec. 2.01. On the effective date of
36 this Act, the following persons become
37 temporary directors of the district:

- 38 (1) Emmett Solomon;
- 39 (2) Charlotte Bass;
- 40 (3) Jesse Stephens;
- 41 (4) John Stovall, D.D.S.;
- 42 (5) Lee Brooks;
- 43 (6) B. L. Robbins;
- 44 (7) C. R. Haeckler, M.D.;
- 45 (8) Carlton McKinney; and
- 46 (9) a person appointed by

47 majority vote of the temporary directors.

48 Sec. 2.02. A vacancy in the office of
49 temporary director shall be filled by

1 appointment by majority vote of the
2 remaining directors.

3 (2) Section 4.02, Chapter 766, Acts of the 69th
4 Legislature, Regular Session, 1985, establishes the
5 date of the initial directors' election. The revised
6 law omits the provision as executed. The omitted law
7 reads:

8 Sec. 4.02. Directors shall be
9 elected at an election to be held on the
10 first Saturday in April following the
11 creation of the district.

12 [Sections 1078.065-1078.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Revised Law

15 Sec. 1078.101. 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. 766, Sec.
20 5.02 (part).)

21 Source Law

22 Sec. 5.02. On creation of the district, the
23 district:

24 (1) assumes full responsibility for
25 operating hospital facilities and for furnishing
26 medical and hospital care for the district's needy
27 inhabitants;

28

29 Revisor's Note

30 Section 5.02, Chapter 766, Acts of the 69th
31 Legislature, Regular Session, 1985, provides that
32 "[o]n creation of the district," the district
33 "assumes" certain responsibilities. The revised law
34 substitutes "has" for the quoted language because the
35 duty to assume the responsibility is executed.

36 Revised Law

37 Sec. 1078.102. RESTRICTION ON HOUSTON COUNTY TAXATION AND
38 DEBT. Houston County may not impose a tax or issue bonds or other
39 obligations for hospital purposes or to provide medical care for
40 district residents. (Acts 69th Leg., R.S., Ch. 766, Sec. 5.01(b).)

1 board may prescribe:

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

4 (2) accounting and control procedures for the
5 district. (Acts 69th Leg., R.S., Ch. 766, Sec. 5.05.)

6 Source Law

7 Sec. 5.05. (a) The board may prescribe the
8 method of making purchases and expenditures by and for
9 the district.

10 (b) The board may prescribe accounting and
11 control procedures for the district.

12 Revised Law

13 Sec. 1078.106. MOBILE EMERGENCY MEDICAL SERVICE. The
14 district may operate or provide for the operation of a mobile
15 emergency medical service. (Acts 69th Leg., R.S., Ch. 766, Sec.
16 5.02 (part).)

17 Source Law

18 Sec. 5.02. . . . the district:

19 . . .
20 (3) may operate or provide for the
21 operation of a mobile emergency medical service.

22 Revised Law

23 Sec. 1078.107. DISTRICT PROPERTY, FACILITIES, AND
24 EQUIPMENT. (a) The board shall determine:

25 (1) the type, number, and location of buildings
26 required to maintain an adequate hospital system; and

27 (2) the type of equipment necessary for hospital care.

28 (b) The board may:

29 (1) acquire property, including facilities and
30 equipment, for the district for use in the hospital system; and

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

33 (c) The board may lease hospital facilities from others for
34 the district.

35 (d) The board may sell or otherwise dispose of property,
36 including facilities or equipment, for the district. (Acts 69th
37 Leg., R.S., Ch. 766, Secs. 5.06(a), (b), (c), (d).)

1 Source Law

2 Sec. 5.06. (a) The board shall determine the
3 type, number, and location of buildings required to
4 establish and maintain an adequate hospital system and
5 the type of equipment necessary for hospital care.

6 (b) The board may acquire property, facilities,
7 and equipment for the district for use in the hospital
8 system and may mortgage or pledge the property,
9 facilities, or equipment acquired as security for the
10 payment of the purchase price.

11 (c) The board may lease hospital facilities from
12 others on behalf of the district.

13 (d) The board may sell or otherwise dispose of
14 property, facilities, or equipment on behalf of the
15 district.

16 Revisor's Note

17 Section 5.06(a), Chapter 766, Acts of the 69th
18 Legislature, Regular Session, 1985, requires the board
19 to determine the buildings required to "establish and
20 maintain" an adequate hospital system. The revised
21 law omits the reference to establishing the hospital
22 system as executed.

23 Revised Law

24 Sec. 1078.108. 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 property interest is necessary to exercise a right or authority
28 conferred by this chapter.

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

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

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

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

40 (3) provide a bond for costs or a supersedeas bond on
41 an appeal or petition for review. (Acts 69th Leg., R.S., Ch. 766,

1 Sec. 5.09.)

2 Source Law

3 Sec. 5.09. (a) The district may exercise the
4 power of eminent domain to acquire by condemnation a
5 fee simple or other interest in property located in the
6 territory of the district if the property interest is
7 necessary to the exercise of the rights or authority
8 conferred by this Act.

9 (b) The district must exercise the power of
10 eminent domain in the manner provided by Chapter 21,
11 Property Code, but the district is not required to
12 deposit in the trial court money or execute a bond as
13 provided by Section 21.021(a)(2) or (3), Property
14 Code.

15 (c) In a condemnation proceeding brought by the
16 district, the district is not required to pay in
17 advance or give bond or other security for costs in the
18 trial court, to give bond for the issuance of a
19 temporary restraining order or a temporary injunction,
20 or to give bond for costs or supersedeas on an appeal
21 or writ of error.

22 Revisor's Note

23 Section 5.09, Chapter 766, Acts of the 69th
24 Legislature, Regular Session, 1985, refers to a "writ
25 of error." The revised law substitutes "petition for
26 review" for "writ of error" because, effective
27 September 1, 1997, the Texas Supreme Court replaced
28 the writ of error procedure with the petition for
29 review procedure. See Rule 53.1, Rules of Appellate
30 Procedure.

31 Revised Law

32 Sec. 1078.109. COST OF RELOCATING OR ALTERING PROPERTY. In
33 exercising the power of eminent domain, if the board requires
34 relocating, raising, lowering, rerouting, changing the grade of, or
35 altering the construction of any railroad, highway, pipeline, or
36 electric transmission, telegraph, or telephone line, conduit,
37 pole, or facility, the district must bear the actual cost of
38 relocating, raising, lowering, rerouting, changing the grade, or
39 altering the construction to provide comparable replacement
40 without enhancement of facilities, after deducting the net salvage
41 value derived from the old facility. (Acts 69th Leg., R.S., Ch.
42 766, Sec. 5.10.)

1 Source Law

2 Sec. 5.10. In exercising the power of eminent
3 domain, if the board requires relocating, raising,
4 lowering, rerouting, changing the grade, or altering
5 the construction of any railroad, highway, pipeline,
6 or electric transmission, telegraph, or telephone
7 lines, conduits, poles, or facilities, the district
8 must bear the actual cost of relocating, raising,
9 lowering, rerouting, changing the grade, or altering
10 the construction to provide comparable replacement
11 without enhancement of facilities, after deducting the
12 net salvage value derived from the old facility.

13 Revised Law

14 Sec. 1078.110. 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 other provision
17 prescribed in writing by the donor that is consistent with the
18 proper management of the district. (Acts 69th Leg., R.S., Ch. 766,
19 Sec. 5.14.)

20 Source Law

21 Sec. 5.14. On behalf of the district, the board
22 may accept donations, gifts, and endowments to be held
23 in trust for any purpose and under any direction,
24 limitation, or provision prescribed in writing by the
25 donor that is consistent with the proper management of
26 the district.

27 Revisor's Note

28 Section 5.14, Chapter 766, Acts of the 69th
29 Legislature, Regular Session, 1985, refers to
30 "donations" and "gifts." The revised law omits the
31 reference to "donations" because "donations" is
32 included in the meaning of "gifts."

33 Revised Law

34 Sec. 1078.111. LEASE OF DISTRICT PROPERTY. (a) The board
35 may lease all or part of the district's property, including
36 facilities or equipment, to any person on terms the board considers
37 to be in the district's best interest. The lease period may not
38 exceed 40 years.

39 (b) When leasing the property the board may delegate as it
40 considers appropriate the board's power to manage or operate the
41 leased property to furnish hospital care.

42 (c) For each leased property the board shall provide that

1 the lessee charge rates for services rendered or goods provided at
2 the leased premises that, together with other sources of the
3 lessee's revenue, produce an amount sufficient to enable the lessee
4 to pay the expenses of operating and maintaining the leased
5 premises required of the lessee under the lease. The lease must
6 also require the lessee to pay lease rentals to the district that
7 will be sufficient when taken with any other sources of the
8 district's estimated revenue that are pledged for the same purposes
9 to:

10 (1) pay the interest on any revenue or special
11 obligation bonds that are payable wholly or partly from the lease
12 rentals;

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

16 (3) create and maintain a bond reserve fund and other
17 fund as provided for in the bond resolution or trust indenture
18 authorizing the issuance of the bonds; and

19 (4) pay all other charges, fees, costs, and expenses
20 that the lessee is required to pay under the resolution or
21 indenture.

22 (d) The lease, management agreement, bond resolution, or
23 trust indenture may prescribe systems, methods, routines,
24 procedures, and policies for the operation of the buildings and
25 other facilities owned by the district. If all or part of the
26 district's buildings or other facilities are leased, the district
27 may delegate to the lessee the duty to establish the systems,
28 methods, routines, procedures, and policies for the operation of
29 the leased premises. (Acts 69th Leg., R.S., Ch. 766, Sec. 5.06(e)
30 (part).)

31 Source Law

32 (e) The board may lease all or part of the
33 property, facilities, or equipment of the district to
34 any person, on terms and conditions it considers to be
35 in the best interest of the district. In connection
36 with the lease, the board may delegate as it considers
37 appropriate to furnish hospital care, any of its

1 powers to manage or operate the leased property,
2 facilities, or equipment, A lease may not be
3 for a period longer than 40 years from the date that it
4 is entered into. If all or part of the district's
5 property, facilities, or equipment is leased, the
6 board shall provide that the lessee shall charge
7 sufficient rates for services rendered or goods
8 provided at the leased premises that, together with
9 other sources of the lessee's revenues, will produce
10 revenues sufficient to enable the lessee to pay the
11 expenses of operation and maintenance of the leased
12 premises that the lessee is required to pay under the
13 lease and to pay lease rentals to the district that
14 will be sufficient, when taken with any other sources
15 of the district's estimated revenues that are pledged
16 for the same purposes, to pay the interest on any
17 revenue or special obligation bonds that are payable
18 in whole or in part from those lease rentals; to create
19 and maintain a sinking fund to pay the principal of,
20 interest on, and premium, if any, on those bonds as
21 they become due; to create and maintain a bond reserve
22 fund and any other fund provided for in the bond
23 resolution or trust indenture authorizing the issuance
24 of the bonds; and to pay all other charges, fees,
25 costs, and expenses that the lessee is required to pay
26 in accordance with the resolution or indenture. The
27 lease, management agreement, bond resolution, or trust
28 indenture may prescribe systems, methods, routines,
29 procedures, and policies under or in accordance with
30 which the buildings and facilities owned by the
31 district shall be operated, and if all or part of the
32 district's buildings and facilities are leased, the
33 district may delegate to the lessee the duty to
34 establish the systems, methods, routines, procedures,
35 and policies under or in accordance with which the
36 leased premises shall be operated.

37 Revisor's Note

38 (1) Section 5.06(e), Chapter 766, Acts of the
39 69th Legislature, Regular Session, 1985, refers to
40 "terms or conditions." The revised law omits the
41 reference to "conditions" because "conditions" is
42 included in the meaning of "terms."

43 (2) Section 5.06(e), Chapter 766, Acts of the
44 69th Legislature, Regular Session, 1985, provides that
45 the district is subject to applicable laws and rules
46 adopted by the "Texas Department of Health" and the
47 "Texas Health Facilities Commission" and to inspection
48 by those agencies. The revised law omits that
49 provision because any applicable laws and rules apply
50 on their own terms. In addition, various state laws,
51 including Chapters 222 and 241, Health and Safety
52 Code, provide the necessary regulatory and inspection

1 authority to appropriate state agencies. The omitted
2 law reads:

3 (e) . . . but hospital care at any
4 leased property or facility is subject to
5 all applicable laws and all rules adopted by
6 the Texas Department of Health, the Texas
7 Health Facilities Commission, or any other
8 agency that may regulate hospitals and is
9 subject to inspection by any authorized
10 representative of any of those agencies.
11 . . .

12 Revised Law

13 Sec. 1078.112. CONSTRUCTION CONTRACTS. (a) The board may
14 enter into construction contracts for the district.

15 (b) The board may enter into a construction contract that
16 involves the expenditure of more than the amount provided by
17 Section 271.024, Local Government Code, only after competitive
18 bidding as provided by Subchapter B, Chapter 271, Local Government
19 Code. (Acts 69th Leg., R.S., Ch. 766, Sec. 5.07(a).)

20 Source Law

21 Sec. 5.07. (a) The board may enter into
22 construction contracts on behalf of the district;
23 however, the board may enter into construction
24 contracts that involve spending more than \$10,000 only
25 after competitive bidding as provided by Chapter 770,
26 Acts of the 66th Legislature, Regular Session, 1979
27 (Article 2368a.3, Vernon's Texas Civil Statutes).

28 Revisor's Note

29 (1) Section 5.07(a), Chapter 766, Acts of the
30 69th Legislature, Regular Session, 1985, provides that
31 the district may enter into construction contracts
32 that involve spending more than \$10,000 only after
33 competitive bidding as provided by V.A.C.S. Article
34 2368a.3. Chapter 149, Acts of the 70th Legislature,
35 Regular Session, 1987, revised the relevant parts of
36 Article 2368a.3 as Subchapter B, Chapter 271, Local
37 Government Code, and the revised law is drafted
38 accordingly. The revised law omits the reference to
39 the \$10,000 amount as superseded by Section 5, Chapter
40 115, Acts of the 77th Legislature, Regular Session,
41 2001, which amended Section 271.024, Local Government

1 Code, to increase the contract amount for which
2 competitive bidding is required to \$25,000.

3 (2) Section 5.07(b), Chapter 766, Acts of the
4 69th Legislature, Regular Session, 1985, provides that
5 Article 5160, Revised Statutes, applies to the
6 district's construction contracts in relation to
7 performance and payment bonds. The revised law omits
8 that reference because Article 5160 was codified in
9 1993 as Chapter 2253, Government Code, and that
10 chapter applies to hospital districts on its own
11 terms. The omitted law reads:

12 (b) Article 5160, Revised Statutes,
13 as it relates to performance and payment
14 bonds, applies to construction contracts
15 let by the district.

16 Revised Law

17 Sec. 1078.113. OPERATING AND MANAGEMENT CONTRACTS. The
18 district, through its board, may:

19 (1) enter into an operating or management contract
20 with any person relating to all or any part of its hospital
21 facility;

22 (2) delegate to the person the power to manage and
23 operate all or part of the hospital facilities or hospital system;
24 and

25 (3) employ and discharge employees or appoint and
26 remove doctors from the staff. (Acts 69th Leg., R.S., Ch. 766,
27 Secs. 5.03 (part), 5.08 (part).)

28 Source Law

29 Sec. 5.03. . . . The board may delegate the
30 management or operation of all or any part of the
31 hospital system in accordance with Section 5.08 of
32 this Act.

33 Sec. 5.08. The district, through its board, may
34 enter into operating or management contracts with any
35 person relating to all or any part of its hospital
36 facilities and may delegate to the manager the power to
37 manage and operate all or part of the hospital
38 facilities or hospital system and to employ and
39 discharge employees or appoint and remove doctors from
40 the staff. . . .

1 Revised Law

2 Sec. 1078.114. CONTRACTS FOR CARE. The board may contract
3 with any lessee of the district's hospital facilities or any other
4 person to provide hospital care to needy district inhabitants for
5 payments and under terms that the board considers to be in the
6 district's best interests. (Acts 69th Leg., R.S., Ch. 766, Sec.
7 5.08 (part).)

8 Source Law

9 Sec. 5.08. . . . In addition, the board may
10 contract with any lessee of its hospital facilities or
11 any other person to provide hospital care to the needy
12 inhabitants of the district for payments and under
13 terms and conditions the board considers to be in the
14 best interests of the district.

15 Revisor's Note

16 Section 5.08, Chapter 766, Acts of the 69th
17 Legislature, Regular Session, 1985, refers to "terms
18 and conditions." The revised law omits the reference
19 to "conditions" because "conditions" is included in
20 the meaning of "terms."

21 Revised Law

22 Sec. 1078.115. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
23 SERVICES. The board may contract with a political subdivision of
24 the state or with a state or federal agency for the district or for
25 any lessee of the district's hospital facilities to:

- 26 (1) furnish a mobile emergency medical service; or
27 (2) provide for the investigatory or welfare needs of
28 district inhabitants. (Acts 69th Leg., R.S., Ch. 766, Sec. 5.13.)

29 Source Law

30 Sec. 5.13. The board may contract with a city,
31 county, special district, or other political
32 subdivision of the state or with a state or federal
33 agency for the district or for any lessee of the
34 district's hospital facilities to furnish a mobile
35 emergency medical service or to provide for the
36 investigatory or welfare needs of inhabitants of the
37 district.

38 Revisor's Note

39 Section 5.13, Chapter 766, Acts of the 69th
40 Legislature, Regular Session, 1985, authorizes the

1 board to contract with a "city, county, special
2 district, or other political subdivision of the
3 state." The revised law omits "city," "county," and
4 "special district" in this context because those terms
5 are included in the meaning of "political subdivision
6 of the state."

7 Revised Law

8 Sec. 1078.116. PAYMENT FOR TREATMENT; PROCEDURES. (a)

9 When a person who resides in the district is admitted as a patient
10 to a district facility, the district administrator or a person
11 designated by the board may have an inquiry made into the financial
12 circumstances of:

13 (1) the patient; and

14 (2) a relative of the patient who is legally
15 responsible for the patient's support.

16 (b) To the extent that a patient or a relative of the patient
17 legally responsible for the patient's support cannot pay for care
18 and treatment provided by the district, the district shall supply
19 the care and treatment without charging the patient or the
20 patient's relative.

21 (c) On determining that the patient or a relative legally
22 responsible for the patient's support can pay for all or any part of
23 the care and treatment provided by the district, the district
24 administrator or the person designated by the board shall report
25 that determination to the board, and the board shall issue an order
26 directing the patient or the relative to pay the district a
27 specified amount each week. The amount must be based on the
28 person's ability to pay.

29 (d) The district administrator or the person designated by
30 the board may collect the amount owed to the district from the
31 patient's estate or from that of a relative legally responsible for
32 the patient's support in the manner provided by law for collection
33 of expenses in the last illness of a deceased person.

34 (e) If there is a dispute relating to a person's ability to

1 pay or if the district administrator or the person designated by the
2 board has any doubt concerning a person's ability to pay, the board
3 shall:

- 4 (1) call witnesses;
- 5 (2) hear and resolve the question; and
- 6 (3) issue a final order.

7 (f) The final order of the board may be appealed to a
8 district court in Houston County. The substantial evidence rule
9 applies to the appeal. (Acts 69th Leg., R.S., Ch. 766, Sec. 5.11.)

10 Source Law

11 Sec. 5.11. (a) If an individual residing in the
12 district is admitted as a patient to a facility of the
13 district, the administrator or a person designated by
14 the board may have an inquiry made as to the patient's
15 financial circumstances and as to the financial
16 circumstances of a relative of the patient who is
17 legally responsible for the patient's support.

18 (b) On finding that the patient or a relative of
19 the patient legally responsible for the patient's
20 support can pay for all or any part of the care and
21 treatment provided by the district, the administrator
22 or designee of the board shall report that finding to
23 the board, and the board shall issue an order directing
24 the patient or the relative to pay the district a
25 specified sum each week based on the individual's
26 ability to pay.

27 (c) The administrator or designee of the board
28 may collect money owed to the district from the estate
29 of the patient or from that of a relative who was
30 legally responsible for the patient's support in the
31 manner provided by law for collection of expenses in
32 the last illness of a deceased person.

33 (d) To the extent that a patient or a relative of
34 the patient legally responsible for the patient's
35 support cannot pay for care and treatment provided by
36 the district, the district shall supply that care and
37 treatment without charging the patient or the
38 patient's relative.

39 (e) If there is a dispute relating to an
40 individual's ability to pay or if the administrator or
41 the designee of the board has any doubt concerning an
42 individual's ability to pay, the board shall call
43 witnesses, hear and resolve the question, and issue a
44 final order. An appeal from a final order of the board
45 must be made to a district court in the county in which
46 the district is located and the substantial evidence
47 rule applies.

48 Revisor's Note

49 Section 5.11(e), Chapter 766, Acts of the 69th
50 Legislature, Regular Session, 1985, authorizes the
51 appeal of a final order to be made to the district
52 court "in the county in which the district is located."

1 The revised law substitutes "Houston County" for the
2 quoted language because Houston County is the county
3 in which the district is located.

4 Revised Law

5 Sec. 1078.117. REIMBURSEMENT FOR SERVICE. (a) The board
6 shall require a county or municipality located outside the district
7 to reimburse the district for the district's care and treatment of a
8 sick or injured person of that county or municipality.

9 (b) The board shall require the sheriff of Houston 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 Houston County and is
12 not a district resident.

13 (c) On behalf of the district, the board may contract with
14 the state or federal government for that government to reimburse
15 the district for treatment of a sick or injured person. (Acts 69th
16 Leg., R.S., Ch. 766, Sec. 5.12.)

17 Source Law

18 Sec. 5.12. (a) The board shall require
19 reimbursement from a county or a city located outside
20 the boundaries of the district for the district's care
21 and treatment of a sick, diseased, or injured person of
22 that county or city.

23 (b) The board shall require reimbursement from
24 the sheriff of Houston County for the district's care
25 and treatment of a person confined in a jail facility
26 of Houston County who is not a resident of the
27 district.

28 (c) On behalf of the district, the board may
29 contract with the state or federal government for the
30 state or federal government to reimburse the district
31 for treatment of a sick, diseased, or injured person.

32 Revisor's Note

33 (1) Sections 5.12(a) and (c), Chapter 766, Acts
34 of the 69th Legislature, Regular Session, 1985, refer
35 to a "sick, diseased, or injured person." The revised
36 law omits the references to "diseased" because it is
37 included in the meaning of "sick."

38 (2) Section 5.12(a), Chapter 766, Acts of the
39 69th Legislature, Regular Session, 1985, refers to
40 "city." The revised law substitutes "municipality"
41 for "city" because in context the terms are

1 equivalent, and "municipality" is the term used by the
2 Local Government Code.

3 Revised Law

4 Sec. 1078.118. AUTHORITY TO SUE AND BE SUED. The board may
5 sue and be sued on behalf of the district. (Acts 69th Leg., R.S.,
6 Ch. 766, Sec. 5.15.)

7 Source Law

8 Sec. 5.15. The board may sue and be sued on
9 behalf of the district.

10 [Sections 1078.119-1078.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCE PROVISIONS

12 Revised Law

13 Sec. 1078.151. 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 69th Leg.,
28 R.S., Ch. 766, Sec. 6.04.)

29 Source Law

30 Sec. 6.04. (a) The administrator of the
31 district shall prepare a proposed annual budget for
32 the district.

33 (b) The proposed budget must contain a complete
34 financial statement, including a statement of:

- 35 (1) the outstanding obligations of the
36 district;
37 (2) the amount of cash on hand to the
38 credit of each fund of the district;
39 (3) the amount of money received by the
40 district from all sources during the previous year;

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

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

6 (6) the estimated amount of revenues and
7 balances available to cover the proposed budget; and

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

10 Revised Law

11 Sec. 1078.152. 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 a
14 newspaper with general circulation in the district not later than
15 the 10th day before the date of the hearing.

16 (c) Any district resident is entitled to be present and
17 participate at the hearing.

18 (d) At the conclusion of the hearing, the board shall adopt
19 a budget by acting on the budget proposed by the district
20 administrator. The board may make any changes in the proposed
21 budget that the board determines to be in the interests of the
22 taxpayers.

23 (e) The budget is effective only after adoption by the
24 board. (Acts 69th Leg., R.S., Ch. 766, Sec. 6.05.)

25 Source Law

26 Sec. 6.05. (a) The board shall hold a public
27 hearing on the proposed annual budget.

28 (b) The board shall publish notice of the
29 hearing in a newspaper of general circulation in the
30 district not later than the 10th day before the date of
31 the hearing.

32 (c) Any resident of the district is entitled to
33 be present and participate at the hearing.

34 (d) At the conclusion of the hearing, the board
35 shall adopt a budget by acting on the budget proposed
36 by the administrator. The board may make any changes in
37 the proposed budget that in its judgment the interest
38 of the taxpayers demands.

39 (e) The budget is effective only after adoption
40 by the board.

41 Revised Law

42 Sec. 1078.153. AMENDMENTS TO BUDGET. After the annual
43 budget is adopted, the budget may be amended on the board's
44 approval. (Acts 69th Leg., R.S., Ch. 766, Sec. 6.06.)

45 Source Law

46 Sec. 6.06. After adoption, the annual budget

1 may be amended on the board's approval.

2 Revised Law

3 Sec. 1078.154. RESTRICTION ON EXPENDITURES. Money may be
4 spent only for an expense included in the budget or an amendment to
5 the budget. (Acts 69th Leg., R.S., Ch. 766, Sec. 6.07.)

6 Source Law

7 Sec. 6.07. Money may not be spent for an expense
8 not included in the annual budget or an amendment to
9 it.

10 Revised Law

11 Sec. 1078.155. FISCAL YEAR. (a) The district operates
12 according to a fiscal year established by the board.

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

14 (1) during a period that revenue bonds of the district
15 are outstanding; or

16 (2) more than once in a 24-month period. (Acts 69th
17 Leg., R.S., Ch. 766, Sec. 6.01.)

18 Source Law

19 Sec. 6.01. (a) The district is operated on the
20 basis of a fiscal year established by the board.

21 (b) The fiscal year may not be changed during a
22 period that revenue bonds of the district are
23 outstanding or more than once in a 24-month period.

24 Revised Law

25 Sec. 1078.156. ANNUAL AUDIT. The board annually shall have
26 an audit made of the district's financial condition. (Acts 69th
27 Leg., R.S., Ch. 766, Sec. 6.02.)

28 Source Law

29 Sec. 6.02. Annually, the board shall have an
30 audit made of the financial condition of the district.

31 Revised Law

32 Sec. 1078.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
33 RECORDS. The annual audit and other district records shall be open
34 to inspection during regular business hours at the district's
35 principal office. (Acts 69th Leg., R.S., Ch. 766, Sec. 6.03.)

36 Source Law

37 Sec. 6.03. The annual audit and other district
38 records shall be open to inspection during regular
39 business hours at the principal office of the
40 district.

1 Revised Law

2 Sec. 1078.158. FINANCIAL REPORT. As soon as practicable
3 after the close of the fiscal year, the district administrator
4 shall prepare for the board:

5 (1) a sworn statement of the amount of district money;
6 and

7 (2) an account of the disbursements of that money.
8 (Acts 69th Leg., R.S., Ch. 766, Sec. 6.08.)

9 Source Law

10 Sec. 6.08. As soon as practicable after the
11 close of the fiscal year, the administrator shall
12 prepare for the board a sworn statement of the amount
13 of money that belongs to the district and an account of
14 the disbursements of that money.

15 Revised Law

16 Sec. 1078.159. 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 1078.160(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 shall 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
28 or other security in an amount sufficient to secure from loss the
29 district money that exceeds the amount secured by the Federal
30 Deposit Insurance Corporation. (Acts 69th Leg., R.S., Ch. 766,
31 Sec. 6.10.)

32 Source Law

33 Sec. 6.10. (a) The board shall name at least one
34 bank to serve as depository for district funds.

35 (b) District funds, other than those invested as
36 provided by Section 6.09(b) of this Act and those
37 transmitted to a bank of payment for bonds or
38 obligations issued or assumed by the district, shall
39 be deposited as received with the depository bank and
40 must remain on deposit. This subsection does not limit

1 the power of the board to place a portion of district's
2 funds on time deposit or to purchase certificates of
3 deposit.

4 (c) Before the district deposits funds in a bank
5 in an amount that exceeds the maximum amount secured by
6 the Federal Deposit Insurance Corporation, the bank
7 must execute a bond or other security in an amount
8 sufficient to secure from loss the district funds that
9 exceed the amount secured by the Federal Deposit
10 Insurance Corporation.

11 Revised Law

12 Sec. 1078.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
13 Except as provided by this section and Sections 1078.112, 1078.201,
14 1078.204, and 1078.205, the district may not incur a debt payable
15 from district revenue other than the revenue on hand or to be on
16 hand in the current and immediately following district fiscal
17 years.

18 (b) The board may invest operating, depreciation, or
19 building reserves only in funds or securities specified by Chapter
20 2256, Government Code. (Acts 69th Leg., R.S., Ch. 766, Sec. 6.09.)

21 Source Law

22 Sec. 6.09. (a) Except as provided by Sections
23 5.07(a), 7.01, 7.04, and 7.05 of this Act, the district
24 may not incur a debt payable from revenues of the
25 district other than the revenues on hand or to be on
26 hand in the current and immediately following fiscal
27 years of the district.

28 (b) The board may not invest operating,
29 depreciation, or building reserves in funds or
30 securities other than those specified by Article 836
31 or 837, Revised Statutes.

32 Revisor's Note

33 Section 6.09(b), Chapter 766, Acts of the 69th
34 Legislature, Regular Session, 1985, refers to "Article
35 836 or 837, Revised Statutes." Those articles were
36 impliedly repealed by the enactment of the Public
37 Funds Investment Act of 1987 (Article 842a-2, Vernon's
38 Texas Civil Statutes), which was revised in 1993 as
39 Chapter 2256, Government Code. Chapter 2256 defines
40 "local government" to include hospital districts and
41 applies to the district by its own terms. The revised
42 law therefore substitutes a reference to Chapter 2256,
43 Government Code, for the references to Articles 836
44 and 837.

1 [Sections 1078.161-1078.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Revised Law

4 Sec. 1078.201. GENERAL OBLIGATION BONDS. If authorized by
5 an election, the board may issue and sell general obligation bonds
6 in the name and on the faith and credit of the district to:

7 (1) purchase, construct, acquire, repair, or renovate
8 buildings or improvements;

9 (2) equip buildings or improvements for hospital
10 purposes; or

11 (3) acquire and operate a mobile emergency medical
12 service. (Acts 69th Leg., R.S., Ch. 766, Sec. 7.01.)

13 Source Law

14 Sec. 7.01. If authorized by an election, the
15 board may issue and sell general obligation bonds in
16 the name and on the faith and credit of the hospital
17 district to:

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

20 (2) equip buildings or improvements for
21 hospital purposes; or

22 (3) acquire and operate a mobile emergency
23 medical service.

24 Revised Law

25 Sec. 1078.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
26 the time general obligation bonds are issued by the district under
27 Section 1078.201, the board shall impose an ad valorem tax at a rate
28 sufficient to create an interest and sinking fund to pay the
29 principal of and interest on the bonds as the bonds mature.

30 (b) The tax required by this section together with any other
31 ad valorem tax the district imposes may not in any year exceed the
32 limit approved by the voters at the election authorizing the
33 imposition of a tax. (Acts 69th Leg., R.S., Ch. 766, Sec. 7.02.)

34 Source Law

35 Sec. 7.02. (a) At the time the general
36 obligation bonds are issued by the district, the board
37 shall levy a tax.

38 (b) The tax shall be sufficient at least to
39 create an interest and sinking fund to pay the
40 principal of and interest on the bonds as they mature.

41 (c) In any year, the tax together with any other
42 tax the district levies may not exceed the limit
43 approved by the voters at the election authorizing the

1 levy of taxes.

2 Revisor's Note

3 Section 7.02, Chapter 766, Acts of the 69th
4 Legislature, Regular Session, 1985, requires the
5 district to levy a tax to pay the principal of and
6 interest on bonds. The revised law specifies that the
7 tax is an "ad valorem" tax because it is clear from the
8 source law that the tax is a property tax and "ad
9 valorem" is the term most commonly used to refer to a
10 property tax.

11 Revised Law

12 Sec. 1078.203. 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.

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 69th Leg., R.S., Ch. 766, Sec. 7.03.)

26 Source Law

27 Sec. 7.03. (a) The district may not issue
28 general obligation bonds until the bonds are
29 authorized by a majority of the qualified voters of the
30 district.

31 (b) The board may order a bond election. The
32 order calling the election must state the nature and
33 date of the election, the hours during which the polls
34 will be open, the location of the polling places, the
35 amount of bonds to be authorized, and the maximum
36 maturity of the bonds.

37 (c) Notice of a bond election shall be given as
38 provided by Article 704, Revised Statutes.

39 (d) The board shall canvass the returns and
40 declare the results of the election.

1 Revisor's Note

2 (1) Section 7.03(a), Chapter 766, Acts of the
3 69th Legislature, Regular Session, 1985, refers to a
4 majority of the "qualified" voters of the district.
5 The revised law omits "qualified" as unnecessary in
6 this context because Chapter 11, Election Code,
7 governs eligibility to vote in an election in this
8 state and allows only "qualified" voters who are
9 residents of the territory covered by the election to
10 vote in an election.

11 (2) Section 7.03(c), Chapter 766, Acts of the
12 69th Legislature, Regular Session, 1985, refers to
13 Article 704, Revised Statutes, which specifies certain
14 notice requirements for a bond election. That
15 provision was codified in 1999 as Section 1251.003,
16 Government Code. The revised law is drafted
17 accordingly.

18 (3) Section 7.03(d), Chapter 766, Acts of the
19 69th Legislature, Regular Session, 1985, provides that
20 "[t]he board shall canvass the returns" of a bond
21 election. The revised law omits this requirement
22 because it duplicates Section 67.002, Election Code,
23 which requires the governing body of a political
24 subdivision that orders an election to canvass the
25 returns.

26 Revised Law

27 Sec. 1078.204. REVENUE BONDS. (a) The board may issue
28 revenue bonds to:

29 (1) purchase, construct, acquire, repair, renovate,
30 or equip buildings or improvements for hospital purposes;

31 (2) acquire sites to be used for hospital purposes; or

32 (3) acquire and operate a mobile emergency medical
33 service to assist the district in carrying out its hospital
34 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
3 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, 264.046, 264.047, 264.048, and 264.049,
8 Health and Safety Code, for issuance of revenue bonds by a county
9 hospital authority. (Acts 69th Leg., R.S., Ch. 766, Sec. 7.04.)

10 Source Law

11 Sec. 7.04. (a) The board may issue revenue
12 bonds to:

13 (1) purchase, construct, acquire, repair,
14 equip, or renovate buildings or improvements for
15 hospital purposes;

16 (2) acquire sites to be used for hospital
17 purposes; or

18 (3) acquire and operate a mobile emergency
19 medical service to assist the district in carrying out
20 its hospital purposes.

21 (b) The bonds must be payable from and secured
22 by a pledge of all or part of the revenues derived from
23 the operation of the district's hospital system. The
24 bonds may be additionally secured by a mortgage or deed
25 of trust lien on all or part of district property.

26 (c) The bonds must be issued in the manner
27 provided by Sections 8, 10, 11, 12, and 13, Chapter
28 122, Acts of the 58th Legislature, Regular Session,
29 1963 (Article 4494r, Vernon's Texas Civil Statutes),
30 for issuance of revenue bonds by county hospital
31 authorities.

32 Revisor's Note

33 Section 7.04(c), Chapter 766, Acts of the 69th
34 Legislature, Regular Session, 1985, refers to Sections
35 8, 10, 11, 12, and 13, V.A.C.S. Article 4494r. Those
36 provisions were codified in 1989 as Sections 264.042,
37 264.043, 264.046, 264.047, 264.048, and 264.049,
38 Health and Safety Code. The revised law is drafted
39 accordingly.

40 Revised Law

41 Sec. 1078.205. REFUNDING BONDS. (a) The board may issue
42 refunding bonds to refund outstanding indebtedness issued or
43 assumed by the district.

44 (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 69th
5 Leg., R.S., Ch. 766, Secs. 7.05(a), (c) (part).)

6 Source Law

7 Sec. 7.05. (a) Refunding bonds of the district
8 may be issued to refund and pay off an outstanding
9 indebtedness the district has issued or assumed.

10 (c) The refunding bonds may be sold and the
11 proceeds applied to the payment of outstanding
12 indebtedness or may be exchanged in whole or in part
13 for not less than a similar principal amount of
14 outstanding indebtedness. . . .

15 Revisor's Note

16 Sections 7.05(b) and (c), Chapter 766, Acts of
17 the 69th Legislature, Regular Session, 1985, require
18 the district to issue refunding bonds in the manner
19 prescribed by V.A.C.S. Article 717k-3 and, for
20 refunding bonds that will be sold, to issue the bonds
21 and to make the payments on the bonds in the manner
22 prescribed by Article 717k (Vernon's Texas Civil
23 Statutes). Articles 717k and 717k-3 were codified in
24 1999 as Chapter 1207, Government Code. The revised law
25 omits the provisions because Chapter 1207, Government
26 Code, applies to the district on its own terms under
27 Section 1207.001, Government Code. The omitted law
28 reads:

29 (b) The bonds must be issued in the
30 manner provided by Chapter 784, Acts of the
31 61st Legislature, Regular Session, 1969
32 (Article 717k-3, Vernon's Texas Civil
33 Statutes).

34 (c) . . . If the refunding bonds are
35 to be sold and the proceeds applied to the
36 payment of outstanding indebtedness, the
37 refunding bonds must be issued and payments
38 made in the manner provided by Chapter 503,
39 Acts of the 54th Legislature, Regular
40 Session, 1955 (Article 717k, Vernon's Texas
41 Civil Statutes).

42 Revised Law

43 Sec. 1078.206. MATURITY OF BONDS. District bonds must

1 mature not later than 50 years after the date of issuance. (Acts
2 69th Leg., R.S., Ch. 766, Sec. 7.06 (part).)

3 Source Law

4 Sec. 7.06. District bonds must mature not more
5 than 50 years after the date of their issuance and
6

7 Revisor's Note

8 Section 7.06, Chapter 766, Acts of the 69th
9 Legislature, Regular Session, 1985, provides that
10 district bonds must bear interest at a rate not to
11 exceed that provided by Chapter 3, Acts of the 61st
12 Legislature, Regular Session, 1969 (Article 717k-2,
13 Vernon's Texas Civil Statutes). The maximum rate noted
14 in Chapter 3 was revised in 1999 as Section 1204.006,
15 Government Code. Section 1204.006 permits a public
16 agency, including a hospital district, to issue public
17 securities at any net effective interest rate of 15
18 percent or less and applies to the district under
19 Section 1204.001, Government Code. The revised law
20 omits the reference because it duplicates Section
21 1204.006. The omitted law reads:

22 Sec. 7.06. . . . must bear interest
23 at a rate not to exceed that provided by
24 Chapter 3, Acts of the 61st Legislature,
25 Regular Session, 1969 (Article 717k-2,
26 Vernon's Texas Civil Statutes).

27 Revised Law

28 Sec. 1078.207. EXECUTION OF BONDS. (a) The board president
29 shall execute district bonds in the district's name.

30 (b) The board secretary shall countersign the bonds in the
31 manner provided by Chapter 618, Government Code. (Acts 69th Leg.,
32 R.S., Ch. 766, Sec. 7.07.)

33 Source Law

34 Sec. 7.07. The president of the board shall
35 execute the bonds in the name of the district, and the
36 secretary of the board shall countersign the bonds in
37 the manner provided by Chapter 204, Acts of the 57th
38 Legislature, Regular Session, 1961 (Article 717j-1,
39 Vernon's Texas Civil Statutes).

1 Revisor's Note

2 Section 7.07, Chapter 766, Acts of the 69th
3 Legislature, Regular Session, 1985, refers to V.A.C.S.
4 Article 717j-1. That statute was codified in 1999 as
5 Chapter 618, Government Code, and the revised law is
6 drafted accordingly.

7 Revised Law

8 Sec. 1078.208. BONDS EXEMPT FROM TAXATION. The following
9 are exempt from taxation by this state or a political subdivision of
10 this state:

- 11 (1) bonds issued by the district;
12 (2) any transaction relating to the bonds; and
13 (3) profits made in the sale of the bonds. (Acts 69th
14 Leg., R.S., Ch. 766, Sec. 7.11 (part).)

15 Source Law

16 Sec. 7.11. . . . bonds issued by the district,
17 any transaction relating to the bonds, and profits
18 made in the sale of the bonds are free from taxation by
19 the state or by any city, county, special district, or
20 other political subdivision of the state.

21 Revisor's Note
22 (End of Subchapter)

23 (1) Section 7.08, Chapter 766, Acts of the 69th
24 Legislature, Regular Session, 1985, provides that
25 district bonds are subject to the law governing county
26 bonds that relates to bond approval by the attorney
27 general and registration of the bonds by the
28 comptroller. Section 7.08 also provides that after
29 approval and registration the bonds are "incontestable
30 for any cause." The revised law omits these provisions
31 as superseded by Chapter 1202, Government Code
32 (enacted as Article 3, Chapter 53, Acts of the 70th
33 Legislature, 2nd Called Session, 1987). Section
34 1202.003(a), Government Code, requires bonds to be
35 submitted to the attorney general. Section
36 1202.003(b), Government Code, provides for approval of
37 the bonds by the attorney general and requires the

1 attorney general to submit the approved bonds to the
2 comptroller for registration. Section 1202.005,
3 Government Code, requires registration of the bonds by
4 the comptroller. Section 1202.006, Government Code,
5 provides that after approval and registration the
6 bonds are incontestable and binding obligations.
7 Chapter 1202, Government Code, applies to district
8 bonds by application of Section 1202.001, Government
9 Code. The omitted law reads:

10 Sec. 7.08. (a) District bonds are
11 subject to the same requirements with
12 regard to approval by the attorney general
13 and registration by the comptroller of
14 public accounts as the law provides for
15 approval and registration of bonds issued
16 by counties.

17 (b) On approval by the attorney
18 general and registration by the comptroller
19 of public accounts, the bonds are
20 incontestable for any cause.

21 (2) Section 7.09, Chapter 766, Acts of the 69th
22 Legislature, Regular Session, 1985, provides that
23 district bonds are legal and authorized investments
24 for certain entities. The revised law omits the
25 provision as unnecessary. As to several of the
26 entities listed, Section 7.09 has been superseded and
27 impliedly repealed. Investments in securities by
28 banks are regulated by Section 34.101, Finance Code
29 (enacted in 1995 as Section 5.101, Texas Banking Act
30 (Article 342-5.101, Vernon's Texas Civil Statutes)).
31 Investments in securities by savings banks are
32 regulated by Section 93.001(c)(10), Finance Code
33 (enacted in 1993 as Section 7.15(10), Texas Savings
34 Bank Act (Article 489e, Vernon's Texas Civil
35 Statutes)). Investments in securities by trust
36 companies are regulated by Section 184.101, Finance
37 Code (enacted in 1997 as Section 5.101, Texas Trust
38 Company Act (Article 342a-5.101, Vernon's Texas Civil
39 Statutes)). Investments in securities by savings and

1 loan associations are regulated by Sections 63.002 and
2 64.001, Finance Code. As to the remaining entities
3 listed, Section 7.09 duplicates Section 1201.041,
4 Government Code, enacted as Section 9, Bond Procedures
5 Act of 1981 (Article 717k-6, Vernon's Texas Civil
6 Statutes). While Section 7.09 lists "guardians" and
7 Section 1201.041 does not, Section 1201.041 includes a
8 "fiduciary" and a guardian is a fiduciary. Section
9 1201.041, Government Code, applies to district bonds
10 by application of Section 1201.002, Government Code.
11 The revised law omits the reference to public funds of
12 this state because it has been superseded by Section
13 404.024, Government Code (enacted in 1985 as Section
14 2.014, Treasury Act (Article 4393-1, Vernon's Texas
15 Civil Statutes) and last amended in 2007), which
16 governs the investment of state funds. Section
17 404.024(b)(10), Government Code, authorizes the
18 investment of state funds in obligations of political
19 subdivisions, including hospital districts. The
20 omitted law reads:

21 Sec. 7.09. District bonds and
22 indebtedness assumed by the district are
23 legal and authorized investments for:

24 (1) banks;
25 (2) savings banks;
26 (3) trust companies;
27 (4) savings and loan
28 associations;
29 (5) insurance companies;
30 (6) fiduciaries;
31 (7) trustees;
32 (8) guardians; and
33 (9) sinking funds of cities,
34 counties, school districts, and other
35 political subdivisions of the state and
36 other public funds of the state and its
37 agencies, including the permanent school
38 fund.

39 (3) Section 7.10, Chapter 766, Acts of the 69th
40 Legislature, Regular Session, 1985, effectively
41 provides that district bonds may secure deposits of
42 public funds of the state or political subdivisions of
43 the state. The revised law omits the provisions

1 relating to deposits of state funds by the comptroller
2 as impliedly repealed by Section 404.0221, Government
3 Code (enacted in 1995), which lists eligible
4 collateral for deposits of state funds by the
5 comptroller. As to deposits of other funds, the
6 provision duplicates Chapter 2257, Government Code,
7 which governs eligible collateral for deposits of
8 funds of other public agencies, including political
9 subdivisions, and permits those deposits to be secured
10 by obligations issued by hospital districts. The
11 omitted law reads:

12 Sec. 7.10. District bonds are
13 eligible to secure deposits of public funds
14 of the state and of cities, counties, school
15 districts, and other political subdivisions
16 of the state. The bonds are lawful and
17 sufficient security for deposits to the
18 extent of their value if accompanied by all
19 unmatured coupons.

20 [Sections 1078.209-1078.250 reserved for expansion]

21 SUBCHAPTER F. AD VALOREM TAX

22 Revised Law

23 Sec. 1078.251. 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 shall be imposed for and may be pledged to:

27 (1) meet the requirements of district bonds and the
28 indebtedness assumed by the district;

29 (2) provide for the district's maintenance and
30 operating expenses, including the cost or contract payments for
31 hospital care for needy district inhabitants; and

32 (3) make improvements and additions to the district's
33 hospital facilities or hospital system and acquire necessary sites
34 for those improvements and additions by gift, purchase, lease, or
35 condemnation.

36 (c) The district may not impose a tax to pay the principal of
37 or interest on revenue bonds issued under this chapter. (Acts 69th
38 Leg., R.S., Ch. 766, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

1 Sec. 8.02. (a) The board may levy
2 taxes for the entire year in which the
3 district is created.

4 Revisor's Note
5 (End of Chapter)

6 Sections 5.01(a) and 5.02(2), Chapter 766, Acts
7 of the 69th Legislature, Regular Session, 1985,
8 require the transfer of certain land, buildings,
9 improvements, equipment, funds, and reserves to the
10 district after the district is created and provide for
11 the assumption of debt by the district on creation.
12 The revised law omits the provisions as executed. The
13 omitted law reads:

14 Sec. 5.01. (a) On creation of the
15 district, the Houston County Hospital
16 Authority shall convey or transfer to the
17 district:

18 (1) title to land, buildings,
19 improvements, and equipment related to the
20 hospital system owned by the Houston County
21 Hospital Authority;

22 (2) operating funds and
23 reserves for operating expenses and funds
24 that have been budgeted by the Houston
25 County Hospital Authority to provide
26 medical care for residents of the district
27 for the remainder of the fiscal year in
28 which the district is established; and

29 (3) funds established for
30 payment of indebtedness assumed by the
31 district.

32 Sec. 5.02. [On creation of the
33 district, the district:]

34 . . .
35 (2) assumes any outstanding
36 indebtedness incurred by the Houston County
37 Hospital Authority in providing hospital
38 care for residents of the territory of the
39 district before the district's creation;
40 and

41

42 CHAPTER 1079. JACK COUNTY HOSPITAL DISTRICT

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32		SUBCHAPTER A. GENERAL PROVISIONS	
33		<u>Revised Law</u>	
34	Sec. 1079.001.	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 Jack County Hospital
5 District. (Acts 70th Leg., R.S., Ch. 16, Sec. 1.01.)

6 Source Law

7 Sec. 1.01. In this Act:

8 (1) "District" means the Jack County
9 Hospital District.

10 (2) "Board" means the board of directors
11 of the district.

12 (3) "Director" means a member of the
13 board.

14 Revised Law

15 Sec. 1079.002. AUTHORITY FOR OPERATION. The Jack County
16 Hospital District operates and is financed as provided by Section
17 9, Article IX, Texas Constitution, and by this chapter. (Acts 70th
18 Leg., R.S., Ch. 16, Sec. 1.02.)

19 Source Law

20 Sec. 1.02. The Jack County Hospital District
21 may be created and established and, if created, must be
22 maintained, operated, and financed in the manner
23 provided by Article IX, Section 9, of the Texas
24 Constitution and by this Act.

25 Revisor's Note

26 Section 1.02, Chapter 16, Acts of the 70th
27 Legislature, Regular Session, 1987, provides that the
28 district "may be created and established and, if
29 created, must be maintained, operated, and financed"
30 in the manner provided by the Texas Constitution and
31 the act. The revised law omits references to the
32 creation and establishment of the district as
33 executed. The revised law omits "maintained" because,
34 in this context, the meaning of that term is included
35 in the meaning of "operated."

36 Revised Law

37 Sec. 1079.003. ESSENTIAL PUBLIC FUNCTION. The district is
38 a public entity performing an essential public function. (Acts
39 70th Leg., R.S., Ch. 16, Sec. 7.11 (part).)

1 omitted law reads:

2 Sec. 3.01. The district may be
3 created and a tax may be authorized only if
4 the creation and the tax are approved by a
5 majority of the qualified voters of the
6 territory of the proposed district voting
7 at an election called and held for that
8 purpose.

9 Sec. 3.02. A majority of the
10 temporary directors of the district may
11 order a creation election to be held.

12 Sec. 3.03. The order calling the
13 election must state:

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

17 (2) the date of the election;

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

20 (4) the location of the polling
21 places.

22 Sec. 3.04. The temporary directors
23 shall give notice of the election by
24 publishing a substantial copy of the
25 election order in a newspaper with general
26 circulation in the proposed district once a
27 week for two consecutive weeks. The first
28 publication must appear at least 35 days
29 before the date set for the election.

30 Sec. 3.05. (a) The election shall be
31 held not less than 35 days nor more than 60
32 days after the date on which the election is
33 ordered.

34 (b) Subsection (a), Section 41.001,
35 Election Code, does not apply to an election
36 ordered under this article.

37 Sec. 3.06. The ballot for an election
38 at which the issuance of bonds is not
39 proposed shall be printed to permit voting
40 for or against the proposition: "The
41 creation of the Jack County Hospital
42 District and the levy of annual taxes for
43 hospital purposes at a rate not to exceed 75
44 cents on each \$100 valuation of all taxable
45 property in the district."

46 Sec. 3.07. (a) Not earlier than the
47 second day or later than the sixth day after
48 the date of the election, the temporary
49 directors of the district shall meet and
50 canvass the returns of the election.

51 (b) If the temporary directors find
52 that the election results are favorable to
53 the proposition to create the district,
54 they shall issue an order declaring the
55 district created.

56 (c) If the temporary directors find
57 that the election results are not favorable
58 to the proposition to create the district,
59 another creation election may not be held
60 within 12 months after the date of the
61 election at which voters disapproved the
62 proposition.

63 Sec. 3.08. If the creation of the
64 district is not approved at an election held
65 within 60 months after the effective date of
66 this Act, this Act expires.

1 [Sections 1079.007-1079.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT ADMINISTRATION

3 Revised Law

4 Sec. 1079.051. BOARD ELECTION; TERM. (a) The board is
5 governed by five directors elected at large by place.

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;

9 (2) a directors' election shall be held on the uniform
10 election date in May of each year; and

11 (3) the terms of the directors elected to places 1, 3,
12 and 5 expire in even-numbered years and the terms of the directors
13 elected to places 2 and 4 expire in odd-numbered years.

14 (c) A director's term begins on June 1 following the
15 director's election. (Acts 70th Leg., R.S., Ch. 16, Sec. 4.01;
16 Acts 74th Leg., R.S., Ch. 70, Sec. 4.)

17 Source Law

18 Sec. 4.01. (a) The district is governed by a
19 board of five directors. Members of the board of
20 directors are elected at large by place.

21 (b) Board members serve staggered terms of two
22 years. A member's term begins on June 1 following the
23 date the member is elected.

24 (c) A directors' election shall be held on the
25 first Saturday in May of each year to elect the
26 appropriate number of successor directors.

27 [Acts 74th Leg., R.S., Ch. 70]

28 Sec. 4. (a) This Act takes effect September 1,
29 1995. The first election of the Jack County Hospital
30 District board of directors shall be held May 4, 1996.
31 This section applies to the first two elections of
32 directors notwithstanding other law.

33 (b) On the effective date of this Act, the board
34 shall designate the positions of the directors serving
35 in offices for which the terms expire December 31,
36 1995, as Place 2 and Place 4, respectively, and shall
37 designate the positions of the directors serving in
38 offices for which the terms expire December 31, 1996,
39 as Place 1, Place 3, and Place 5, respectively.

40 (c) At the first election for directors under
41 this Act, directors shall be elected for Place 1, Place
42 3, and Place 5 for terms expiring June 1, 1998. The
43 terms of office for appointed directors serving in
44 those places expire on the date the elected directors
45 qualify for office.

46 (d) At the second election for directors under
47 this Act, directors shall be elected for Place 2 and
48 Place 4 for terms expiring June 1, 1999. The terms of
49 office for appointed directors serving in those places
50 expire on the date the elected directors qualify for

1 office.

2 Revisor's Note

3 (1) Section 4.01(b), Chapter 16, Acts of the
4 70th Legislature, Regular Session, 1987, provides that
5 directors serve two-year terms. Section 285.081,
6 Health and Safety Code, applicable to this hospital
7 district, provides a mechanism by which the governing
8 board of a hospital district, on its own motion, may
9 order that the members are to be elected in
10 even-numbered years to serve staggered four-year
11 terms. The revised law is drafted accordingly and adds
12 a reference to Section 285.081, Health and Safety
13 Code, for the convenience of the reader.

14 (2) Section 4.01(c), Chapter 16, Acts of the
15 70th Legislature, Regular Session, 1987, requires
16 board elections to be held on the "first Saturday in
17 May." From 1986 to 2003, Section 41.001, Election
18 Code, provided for a uniform election date for all
19 political subdivisions on the first Saturday in May.
20 In Chapter 1315, Acts of the 78th Legislature, Regular
21 Session, 2003, the legislature amended Section 41.001
22 by moving the uniform election date in May to the third
23 Saturday. In Chapter 1, Acts of the 78th Legislature,
24 3rd Called Session, 2003, the legislature amended
25 Section 41.001 by moving the uniform election date in
26 May back to the first Saturday. In Chapter 471, Acts
27 of the 79th Legislature, Regular Session, 2005, the
28 legislature amended Section 41.001 by moving the
29 uniform election date in May to the second Saturday.
30 The revised law substitutes "uniform election date in
31 May" for "first Saturday in May" to reflect these
32 changes while preserving as closely as possible the
33 legislative intent that the election be held on the
34 first Saturday in May, which was the uniform election
35 date in May.

1 (3) Section 4, Chapter 70, Acts of the 74th
2 Legislature, Regular Session, 1995, prescribes the
3 procedures for electing the initial board and the
4 terms of those directors. The revised law omits those
5 provisions as executed but codifies the establishment
6 of a board consisting of five directors elected from
7 the district at large by place. Section 4 also
8 establishes staggered two-year terms for those
9 directors that expire two years after the election.
10 The revised law codifies the provision specifying
11 staggered terms and prescribing the places that are
12 elected in odd- and even-numbered years, but omits the
13 provision relating to which year the terms of those
14 directors expire as executed.

15 Revised Law

16 Sec. 1079.052. QUALIFICATIONS FOR OFFICE. To be eligible
17 to be a candidate for or to serve as a director, a person must be:

- 18 (1) a resident of the district; and
19 (2) a qualified voter. (Acts 70th Leg., R.S., Ch. 16,
20 Sec. 4.02.)

21 Source Law

22 Sec. 4.02. To be eligible to be a candidate for
23 or to serve as a director, a person must be:
24 (1) a resident of the district; and
25 (2) a qualified voter.

26 Revised Law

27 Sec. 1079.053. BOND; RECORD OF BOND. (a) Before assuming
28 the duties of office, each director must execute a bond for \$5,000
29 that is:

- 30 (1) payable to the district; and
31 (2) conditioned on the faithful performance of the
32 director's duties.

33 (b) The board may pay for a director's bond with district
34 money.

35 (c) The bond shall be kept in the permanent records of the
36 district. (Acts 70th Leg., R.S., Ch. 16, Sec. 4.03.)

1 Source Law

2 Sec. 4.03. (a) Before assuming the duties of
3 the office, each director must execute a bond for
4 \$5,000 payable to the district, conditioned on the
5 faithful performance of the person's duties as
6 director.

7 (b) The bond shall be kept in the permanent
8 records of the district.

9 (c) The board may pay for directors' bonds with
10 district funds.

11 Revised Law

12 Sec. 1079.054. 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 70th Leg., R.S., Ch. 16,
15 Sec. 4.04.)

16 Source Law

17 Sec. 4.04. A vacancy in the office of director
18 shall be filled for the unexpired term by appointment
19 by the remaining directors.

20 Revised Law

21 Sec. 1079.055. OFFICERS. (a) The board shall elect a
22 president and a vice president from among its members.

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

25 (c) Each officer of the board serves for a term of one year.

26 (d) The board shall fill a vacancy in a board office for the
27 unexpired term. (Acts 70th Leg., R.S., Ch. 16, Secs. 4.05, 4.06.)

28 Source Law

29 Sec. 4.05. The board shall elect from among its
30 members a president and a vice-president. The board
31 shall also appoint a secretary. The secretary need not
32 be a director.

33 Sec. 4.06. (a) Each officer of the board serves
34 for a term of one year.

35 (b) A vacancy in a board office shall be filled
36 for the unexpired term by the board.

37 Revised Law

38 Sec. 1079.056. COMPENSATION; EXPENSES. A director or
39 officer serves without compensation but may be reimbursed for
40 actual expenses incurred in the performance of official duties.
41 The expenses must be:

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

43 (2) approved by the board. (Acts 70th Leg., R.S., Ch.

1 16, Sec. 4.07.)

2 Source Law

3 Sec. 4.07. Directors and officers serve without
4 compensation but may be reimbursed for actual expenses
5 incurred in the performance of official duties. Those
6 expenses must be reported in the district's minute book
7 or other district records and must be approved by the
8 board.

9 Revisor's Note

10 Section 4.07, Chapter 16, Acts of the 70th
11 Legislature, Regular Session, 1987, provides that
12 approved expenses be reported in the "district's
13 minute book or other district records." The revised
14 law omits the reference to the "district's minute book"
15 because the minute book is a district record.

16 Revised Law

17 Sec. 1079.057. VOTING REQUIREMENT. A concurrence of a
18 majority of the directors voting is necessary in any matter
19 relating to district business. (Acts 70th Leg., R.S., Ch. 16, Sec.
20 4.08.)

21 Source Law

22 Sec. 4.08. A concurrence of a majority of the
23 members of the board voting is necessary in matters
24 relating to the business of the district.

25 Revised Law

26 Sec. 1079.058. DISTRICT ADMINISTRATOR. (a) The board may
27 appoint a qualified person as district administrator.

28 (b) The district administrator serves at the will of the
29 board and is entitled to the compensation determined by the board.

30 (c) Before assuming the duties of district administrator,
31 the administrator shall execute a bond in the amount determined by
32 the board of not less than \$5,000 that is:

33 (1) payable to the district; and

34 (2) conditioned on the faithful performance of the
35 administrator's duties under this chapter.

36 (d) The board may pay for the bond with district money.

37 (Acts 70th Leg., R.S., Ch. 16, Sec. 4.09.)

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Source Law

Sec. 4.09. (a) The board may appoint a qualified person as administrator of the district.
(b) The administrator serves at the will of the board.
(c) The administrator is entitled to compensation as determined by the board.
(d) Before assuming his duties, the administrator shall execute a bond payable to the hospital district in the amount of not less than \$5,000 as determined by the board, conditioned on the faithful performance of his duties under this Act. The board may pay for the bond with district funds.

Revised Law

Sec. 1079.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
Subject to the limitations prescribed by the board, the district administrator shall:
(1) supervise the work and activities of the district;
and
(2) direct the general affairs of the district. (Acts 70th Leg., R.S., Ch. 16, Sec. 4.12.)

Source Law

Sec. 4.12. The administrator shall supervise the work and activities of the district and shall direct the general affairs of the district, subject to the limitations prescribed by the board.

Revised Law

Sec. 1079.060. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The board may appoint to the staff any doctors the board considers necessary for the efficient operation of the district and may make temporary appointments as necessary.
(b) The district may employ technicians, nurses, fiscal agents, accountants, architects, and other necessary employees.
(c) The board may delegate to the district administrator the authority to employ persons for the district. (Acts 70th Leg., R.S., Ch. 16, Secs. 4.10, 4.11.)

Source Law

Sec. 4.10. The board may appoint to the staff any doctors it considers necessary for the efficient operation of the district and may make temporary appointments as considered necessary.
Sec. 4.11. (a) The district may employ technicians, nurses, fiscal agents, accountants, architects, and other necessary employees.
(b) The board may delegate to the administrator

1 the authority to employ persons for the district.

2 Revised Law

3 Sec. 1079.061. 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 70th Leg., R.S., Ch.
12 16, Sec. 4.13.)

13 Source Law

14 Sec. 4.13. The board may provide retirement
15 benefits for employees of the district by establishing
16 or administering a retirement program or by electing
17 to participate in the Texas County and District
18 Retirement System or in any other statewide retirement
19 system in which the district is eligible to
20 participate.

21 Revisor's Note

22 (End of Subchapter)

23 Article 2, Chapter 16, Acts of the 70th
24 Legislature, Regular Session, 1987, provides for
25 temporary directors of the district to serve until the
26 initial election of the district board of directors.
27 The revised law omits that article as executed. The
28 omitted law reads:

29 Sec. 2.01. On the effective date of
30 this Act, the commissioners court of Jack
31 County shall appoint five persons to serve
32 as temporary directors of the district.

33 Sec. 2.02. A vacancy in the office of
34 temporary director shall be filled by
35 appointment made by the commissioners court
36 of Jack County.

37 [Sections 1079.062-1079.100 reserved for expansion]

38 SUBCHAPTER C. POWERS AND DUTIES

39 Revised Law

40 Sec. 1079.101. DISTRICT RESPONSIBILITY. The district has
41 full responsibility for:

42 (1) operating hospital facilities; and

1 (2) providing medical and hospital care for the
2 district's needy inhabitants. (Acts 70th Leg., R.S., Ch. 16, Sec.
3 5.02 (part).)

4 Source Law

5 Sec. 5.02. On creation of the district, the
6 district:

7 (1) assumes full responsibility for
8 operating hospital facilities and for furnishing
9 medical and hospital care for the district's needy
10 inhabitants;

11

12 Revisor's Note

13 Section 5.02, Chapter 16, Acts of the 70th
14 Legislature, Regular Session, 1987, provides that
15 "[o]n creation of the district," the district
16 "assumes" certain responsibilities. The revised law
17 omits "[o]n creation of the district" as executed. The
18 revised law substitutes "has" for "assumes" because
19 the obligation to assume the responsibility is
20 executed.

21 Revised Law

22 Sec. 1079.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
23 Jack County may not impose a tax or issue bonds or other obligations
24 for hospital purposes or to provide medical care for district
25 residents. (Acts 70th Leg., R.S., Ch. 16, Sec. 5.01(b).)

26 Source Law

27 (b) On or after creation of the district, Jack
28 County may not levy taxes or issue bonds or other
29 obligations for hospital purposes or for providing
30 medical care for the residents of the district.

31 Revisor's Note

32 Section 5.01(b), Chapter 16, Acts of the 70th
33 Legislature, Regular Session, 1987, provides that
34 "[o]n or after creation of the district," Jack County
35 may not levy taxes or issue bonds for hospital
36 purposes. The revised law omits the quoted language as
37 executed. In addition, throughout this chapter, the
38 revised law substitutes "impose" for "levy" because,
39 in this context, the terms are synonymous and the

1 former is more commonly used.

2 Revised Law

3 Sec. 1079.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.

4 The board shall manage, control, and administer the hospital system
5 and the district's money and resources. (Acts 70th Leg., R.S., Ch.
6 16, Sec. 5.03.)

7 Source Law

8 Sec. 5.03. The board shall manage, control, and
9 administer the hospital system and the funds and
10 resources of the district.

11 Revised Law

12 Sec. 1079.104. 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., R.S., Ch. 16, Sec.
17 5.04.)

18 Source Law

19 Sec. 5.04. The board may adopt rules governing
20 the operation of the hospital and hospital system and
21 the duties, functions, and responsibilities of
22 district staff and employees.

23 Revised Law

24 Sec. 1079.105. PURCHASING AND ACCOUNTING PROCEDURES. The
25 board may prescribe:

26 (1) the method of making purchases and expenditures by
27 and for the district; and

28 (2) accounting and control procedures for the
29 district. (Acts 70th Leg., R.S., Ch. 16, Sec. 5.05.)

30 Source Law

31 Sec. 5.05. (a) The board may prescribe the
32 method of making purchases and expenditures by and for
33 the district.

34 (b) The board may prescribe accounting and
35 control procedures for the district.

36 Revised Law

37 Sec. 1079.106. MOBILE EMERGENCY MEDICAL SERVICE. The
38 district may operate or provide for the operation of a mobile
39 emergency medical service. (Acts 70th Leg., R.S., Ch. 16, Sec. 5.02

1 (part).)

2 Source Law

3 Sec. 5.02. . . . the district:

4 . . .
5 (3) may operate or provide for the
6 operation of a mobile emergency medical service.

7 Revised Law

8 Sec. 1079.107. DISTRICT PROPERTY, FACILITIES, AND
9 EQUIPMENT. (a) The board shall determine:

10 (1) the type, number, and location of buildings
11 required to maintain an adequate hospital system; and

12 (2) the type of equipment necessary for hospital care.

13 (b) The board may:

14 (1) acquire property, including facilities and
15 equipment, for the district for use in the hospital system; and

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

18 (c) The board may lease hospital facilities for the
19 district.

20 (d) The board may sell or otherwise dispose of property,
21 including facilities or equipment, for the district. (Acts 70th
22 Leg., R.S., Ch. 16, Sec. 5.06.)

23 Source Law

24 Sec. 5.06. (a) The board shall determine the
25 type, number, and location of buildings required to
26 establish and maintain an adequate hospital system and
27 the type of equipment necessary for hospital care.

28 (b) The board may acquire property, facilities,
29 and equipment for the district for use in the hospital
30 system and may mortgage or pledge the property,
31 facilities, or equipment acquired as security for the
32 payment of the purchase price.

33 (c) The board may lease hospital facilities on
34 behalf of the district.

35 (d) The board may sell or otherwise dispose of
36 property, facilities, or equipment on behalf of the
37 district.

38 Revisor's Note

39 Section 5.06(a), Chapter 16, Acts of the 70th
40 Legislature, Regular Session, 1987, requires the board
41 to determine the buildings required to "establish and
42 maintain" an adequate hospital system. The revised

1 law omits the reference to establishing the hospital
2 system as executed.

3 Revised Law

4 Sec. 1079.108. EMINENT DOMAIN. (a) The district may
5 exercise the power of eminent domain to acquire a fee simple or
6 other interest in property located in district territory if the
7 property interest is necessary to exercise a right or authority
8 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 that 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 petition for review. (Acts 70th Leg., R.S., Ch. 16,
21 Sec. 5.09.)

22 Source Law

23 Sec. 5.09. (a) The district may exercise the
24 power of eminent domain to acquire by condemnation a
25 fee simple or other interest in property located in the
26 territory of the district if the property interest is
27 necessary to the exercise of the rights or authority
28 conferred by this Act.

29 (b) The district must exercise the power of
30 eminent domain in the manner provided by Chapter 21,
31 Property Code, but the district is not required to
32 deposit in the trial court money or a bond as provided
33 by Subsection (a), Section 21.021, Property Code.

34 (c) In a condemnation proceeding brought by the
35 district, the district is not required to pay in
36 advance or give bond or other security for costs in the
37 trial court, to give bond for the issuance of a
38 temporary restraining order or a temporary injunction,
39 or to give bond for costs or supersedeas on an appeal
40 or writ of error.

41 Revisor's Note

42 Section 5.09(c), Chapter 16, Acts of the 70th
43 Legislature, Regular Session, 1987, refers to a "writ

1 of error." The revised law substitutes "petition for
2 review" for "writ of error" because, effective
3 September 1, 1997, the Texas Supreme Court replaced
4 the writ of error procedure with the petition for
5 review procedure. See Rule 53.1, Rules of Appellate
6 Procedure.

7 Revised Law

8 Sec. 1079.109. 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 70th Leg., R.S., Ch. 16, Sec. 5.10.)

19 Source Law

20 Sec. 5.10. In exercising the power of eminent
21 domain, if the board requires relocating, raising,
22 lowering, rerouting, changing the grade, or altering
23 the construction of any railroad, highway, pipeline,
24 or electric transmission and electric distribution,
25 telegraph, or telephone lines, conduits, poles, or
26 facilities, the district must bear the actual cost of
27 relocating, raising, lowering, rerouting, changing
28 the grade, or altering the construction to provide
29 comparable replacement without enhancement of
30 facilities, after deducting the net salvage value
31 derived from the old facility.

32 Revised Law

33 Sec. 1079.110. GIFTS AND ENDOWMENTS. The board may accept
34 for the district a gift or endowment to be held in trust for any
35 purpose and under any direction, limitation, or other provision
36 prescribed in writing by the donor that is consistent with the
37 proper management of the district. (Acts 70th Leg., R.S., Ch. 16,
38 Sec. 5.14.)

39 Source Law

40 Sec. 5.14. On behalf of the district, the board

1 may accept donations, gifts, and endowments to be held
2 in trust for any purpose and under any direction,
3 limitation, or provision prescribed in writing by the
4 donor that is consistent with the proper management of
5 the district.

6 Revisor's Note

7 Section 5.14, Chapter 16, Acts of the 70th
8 Legislature, Regular Session, 1987, refers to
9 "donations" and "gifts." The revised law omits
10 "donations" because "donations" is included in the
11 meaning of "gifts."

12 Revised Law

13 Sec. 1079.111. CONSTRUCTION CONTRACTS. (a) The board may
14 enter into construction contracts for the district.

15 (b) The board may enter into a construction contract that
16 involves the expenditure of more than the amount provided by
17 Section 271.024, Local Government Code, only after competitive
18 bidding as provided by Subchapter B, Chapter 271, Local Government
19 Code. (Acts 70th Leg., R.S., Ch. 16, Sec. 5.07(a).)

20 Source Law

21 (a) The board may enter into construction
22 contracts on behalf of the district; however, the
23 board may enter into construction contracts that
24 involve spending more than \$10,000 only after
25 competitive bidding as provided by Chapter 770, Acts
26 of the 66th Legislature, Regular Session, 1979
27 (Article 2368a.3, Vernon's Texas Civil Statutes).

28 Revisor's Note

29 (1) Section 5.07(a), Chapter 16, Acts of the
30 70th Legislature, Regular Session, 1987, provides that
31 the district may enter into construction contracts
32 that involve spending more than \$10,000 only after
33 competitive bidding as provided by Chapter 770, Acts
34 of the 66th Legislature, Regular Session, 1979
35 (Article 2368a.3, Vernon's Texas Civil Statutes).
36 Chapter 149, Acts of the 70th Legislature, Regular
37 Session, 1987, revised the relevant parts of Article
38 2368a.3 as Subchapter B, Chapter 271, Local Government
39 Code, and the revised law is drafted accordingly. The
40 revised law omits the reference to the \$10,000 amount

1 as superseded by Section 5, Chapter 115, Acts of the
2 77th Legislature, Regular Session, 2001, which amended
3 Section 271.024, Local Government Code, to increase
4 the contract amount for which competitive bidding is
5 required to \$25,000.

6 (2) Section 5.07(b), Chapter 16, Acts of the
7 70th Legislature, Regular Session, 1987, provides that
8 Article 5160, Revised Statutes, applies to the
9 district's construction contracts in relation to
10 performance and payment bonds. The revised law omits
11 that reference because Article 5160 was codified in
12 1993 as Chapter 2253, Government Code, and that
13 chapter applies to hospital districts on its own
14 terms. The omitted law reads:

15 (b) Article 5160, Revised Statutes,
16 as it relates to performance and payment
17 bonds, applies to construction contracts
18 let by the district.

19 Revised Law

20 Sec. 1079.112. OPERATING AND MANAGEMENT CONTRACTS. The
21 board may enter into an operating or management contract relating
22 to a hospital facility for the district. (Acts 70th Leg., R.S., Ch.
23 16, Sec. 5.08.)

24 Source Law

25 Sec. 5.08. The board may enter into operating or
26 management contracts relating to hospital facilities
27 on behalf of the district.

28 Revised Law

29 Sec. 1079.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
30 SERVICES. The board may contract with a political subdivision of
31 this state or with a state or federal agency for the district to:

- 32 (1) furnish a mobile emergency medical service; or
33 (2) provide for the investigatory or welfare needs of
34 district inhabitants. (Acts 70th Leg., R.S., Ch. 16, Sec. 5.13.)

35 Source Law

36 Sec. 5.13. The board may contract with a city,
37 county, special district, or other political
38 subdivision of the state or with a state or federal

1 agency for the district to furnish a mobile emergency
2 medical service or to provide for the investigatory or
3 welfare needs of inhabitants of the district.

4 Revisor's Note

5 Section 5.13, Chapter 16, Acts of the 70th
6 Legislature, Regular Session, 1987, refers to a "city,
7 county, special district, or other political
8 subdivision of the state." Throughout this chapter,
9 the revised law omits references to "city," "county,"
10 and "special district" in this context because those
11 terms are included in the meaning of "political
12 subdivision of the state."

13 Revised Law

14 Sec. 1079.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
15 When a person who resides in the district is admitted as a patient
16 to a district facility, the district administrator may have an
17 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 (b) 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 (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
28 care and treatment provided by the district, the district
29 administrator shall report that determination to the board and the
30 board shall issue an order directing the patient or the relative to
31 pay the district a specified amount each week. The amount must be
32 based on the individual's ability to pay.

33 (d) The district administrator may collect the money owed to
34 the district from the patient's estate or from that of a relative
35 legally responsible for the patient's support in the manner
36 provided by law for collection of expenses in the last illness of a

1 deceased person.

2 (e) If there is a dispute relating to a person's ability to
3 pay or if the district administrator has any doubt concerning a
4 person's ability to pay, the board shall:

- 5 (1) call witnesses;
- 6 (2) hear and resolve the question; and
- 7 (3) issue a final order.

8 (f) The final order of the board may be appealed to a
9 district court in Jack County. The substantial evidence rule
10 applies to the appeal. (Acts 70th Leg., R.S., Ch. 16, Secs.
11 5.11(b), (c), (d), (e), (f).)

12 Source Law

13 (b) If an individual residing in the district is
14 admitted as a patient to a facility of the district,
15 the administrator may have an inquiry made as to the
16 patient's financial circumstances and as to financial
17 circumstances of a relative of the patient who is
18 legally responsible for the patient's support.

19 (c) On finding that the patient or a relative of
20 the patient legally responsible for the patient's
21 support can pay for all or any part of the care and
22 treatment provided by the district, the administrator
23 shall report that finding to the board, and the board
24 shall issue an order directing the patient or the
25 relative to pay the district a specified sum each week
26 based on the individual's ability to pay.

27 (d) The administrator may collect money owed to
28 the district from the estate of the patient or from
29 that of a relative who was legally responsible for the
30 patient's support in the manner provided by law for
31 collection of expenses in the last illness of a
32 deceased person.

33 (e) To the extent that a patient or a relative of
34 the patient legally responsible for the patient's
35 support cannot pay for care and treatment provided by
36 the district, the district shall supply that care and
37 treatment without charging the patient or the
38 patient's relative.

39 (f) If there is a dispute relating to an
40 individual's ability to pay or if the administrator has
41 any doubt concerning an individual's ability to pay,
42 the board shall call witnesses, hear and resolve the
43 question, and issue a final order. An appeal from a
44 final order of the board must be made to a district
45 court in the county in which the district is located
46 and the substantial evidence rule applies.

47 Revisor's Note

48 (1) Section 5.11(a), Chapter 16, Acts of the
49 70th Legislature, Regular Session, 1987, requires the
50 district to adopt an application procedure for
51 assistance eligibility. The revised law omits the

1 provision because it duplicates provisions in Sections
2 61.053(a) and (b), Health and Safety Code, which apply
3 to the district and detail the application procedure.

4 The omitted law reads:

5 Sec. 5.11. (a) Not later than the
6 beginning of each operating year, the
7 district shall adopt an application
8 procedure to determine eligibility for
9 assistance, as provided by Section 10.03,
10 Indigent Health Care and Treatment Act
11 (Article 4438f, Vernon's Texas Civil
12 Statutes).

13 (2) Section 5.11(f), Chapter 16, Acts of the
14 70th Legislature, Regular Session, 1987, authorizes
15 the appeal of a final order to be made to the district
16 court "in the county in which the district is located."
17 The revised law substitutes "Jack County" for the
18 quoted language because Jack County is the county in
19 which the district is located.

20 Revised Law

21 Sec. 1079.115. 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 Jack County or
28 the police chief of the City of Jacksboro to reimburse the district
29 for the district's care and treatment of a person who is confined in
30 a jail facility of Jack County or the City of Jacksboro and is not a
31 district resident.

32 (c) On behalf of the district, the board may contract with
33 the state or federal government for that government to reimburse
34 the district for treatment of a sick or injured person. (Acts 70th
35 Leg., R.S., Ch. 16, Sec. 5.12.)

36 Source Law

37 Sec. 5.12. (a) The board shall require
38 reimbursement from a county, city, or public hospital
39 located outside the boundaries of the district for the

1 district's care and treatment of a sick, diseased, or
2 injured person of that county, city, or public
3 hospital as provided by the Indigent Health Care and
4 Treatment Act (Article 4438f, Vernon's Texas Civil
5 Statutes).

6 (b) The board shall require reimbursement from
7 the sheriff of Jack County or the police chief of the
8 City of Jacksboro, as appropriate, for the district's
9 care and treatment of a person confined in a jail
10 facility of Jack County or the City of Jacksboro who is
11 not a resident of the district.

12 (c) On behalf of the district, the board may
13 contract with the state or federal government for the
14 state or federal government to reimburse the district
15 for treatment of a sick, diseased, or injured person.

16 Revisor's Note

17 (1) Section 5.12(a), Chapter 16, Acts of the
18 70th Legislature, Regular Session, 1987, refers to a
19 "city." The revised law substitutes "municipality"
20 for "city" because in context the terms are
21 equivalent, and "municipality" is the term used in the
22 Local Government Code.

23 (2) Sections 5.12(a) and (c), Chapter 16, Acts
24 of the 70th Legislature, Regular Session, 1987, refer
25 to a "sick, diseased, or injured person." The revised
26 law omits the references to "diseased" because it is
27 included in the meaning of "sick."

28 (3) Section 5.12(a), Chapter 16, Acts of the
29 70th Legislature, Regular Session, 1987, refers to the
30 Indigent Health Care and Treatment Act (Article 4438f,
31 Vernon's Texas Civil Statutes). That statute was
32 codified in 1989 as Chapter 61, Health and Safety Code.
33 The revised law is drafted accordingly.

34 Revised Law

35 Sec. 1079.116. AUTHORITY TO SUE AND BE SUED. The board may
36 sue and be sued on behalf of the district. (Acts 70th Leg., R.S.,
37 Ch. 16, Sec. 5.15.)

38 Source Law

39 Sec. 5.15. The board may sue and be sued on
40 behalf of the district.

41 [Sections 1079.117-1079.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1079.151. BUDGET. (a) The district administrator
4 shall prepare a proposed annual budget for the district.

5 (b) The proposed budget must contain a complete financial
6 statement, including a statement of:

7 (1) the outstanding obligations of the district;

8 (2) the amount of cash on hand in each district fund;

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

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

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

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

17 (7) the estimated tax rate required. (Acts 70th Leg.,
18 R.S., Ch. 16, Sec. 6.04.)

19 Source Law

20 Sec. 6.04. (a) The administrator of the
21 district shall prepare a proposed annual budget for
22 the district.

23 (b) The proposed budget must contain a complete
24 financial statement, including a statement of:

25 (1) the outstanding obligations of the
26 district;

27 (2) the amount of cash on hand to the
28 credit of each fund of the district;

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

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

33 (5) the amount of the balances expected at
34 the end of the year in which the budget is being
35 prepared;

36 (6) the estimated amount of revenues and
37 balances available to cover the proposed budget; and

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

40 Revised Law

41 Sec. 1079.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
42 The board shall hold a public hearing on the proposed annual budget.

43 (b) The board shall publish notice of the hearing in a
44 newspaper with general circulation in the district not later than

1 the 10th day before the date of the hearing.

2 (c) Any district resident is entitled to be present and
3 participate at the hearing.

4 (d) At the conclusion of the hearing, the board shall adopt
5 a budget by acting on the budget proposed by the district
6 administrator. The board may make any changes in the proposed
7 budget that the board judges to be in the interests of the
8 taxpayers.

9 (e) The budget is effective only after adoption by the
10 board. (Acts 70th Leg., R.S., Ch. 16, Sec. 6.05.)

11 Source Law

12 Sec. 6.05. (a) The board shall hold a public
13 hearing on the proposed annual budget.

14 (b) The board shall publish notice of the
15 hearing in a newspaper of general circulation in the
16 district not later than the 10th day before the date of
17 the hearing.

18 (c) Any resident of the district is entitled to
19 be present and participate at the hearing.

20 (d) At the conclusion of the hearing, the board
21 shall adopt a budget by acting on the budget proposed
22 by the administrator. The board may make any changes
23 in the proposed budget that in its judgment the
24 interests of the taxpayers demand.

25 (e) The budget is effective only after adoption
26 by the board.

27 Revised Law

28 Sec. 1079.153. AMENDMENTS TO BUDGET. After the annual
29 budget is adopted, the budget may be amended on the board's
30 approval. (Acts 70th Leg., R.S., Ch. 16, Sec. 6.06.)

31 Source Law

32 Sec. 6.06. After adoption, the annual budget
33 may be amended on the board's approval.

34 Revised Law

35 Sec. 1079.154. RESTRICTION ON EXPENDITURES. Money may be
36 spent only for an expense included in the budget or an amendment to
37 the budget. (Acts 70th Leg., R.S., Ch. 16, Sec. 6.07.)

38 Source Law

39 Sec. 6.07. Money may not be spent for an expense
40 not included in the annual budget or an amendment to
41 it.

42 Revised Law

43 Sec. 1079.155. FISCAL YEAR. (a) The district operates

1 according to a 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 70th
6 Leg., R.S., Ch. 16, Sec. 6.01.)

7 Source Law

8 Sec. 6.01. (a) The district is operated on the
9 basis of a fiscal year established by the board.

10 (b) The fiscal year may not be changed during a
11 period that revenue bonds of the district are
12 outstanding or more than once in a 24-month period.

13 Revised Law

14 Sec. 1079.156. ANNUAL AUDIT. The board annually shall have
15 an audit made of the district's financial condition. (Acts 70th
16 Leg., R.S., Ch. 16, Sec. 6.02.)

17 Source Law

18 Sec. 6.02. Annually, the board shall have an
19 audit made of the financial condition of the district.

20 Revised Law

21 Sec. 1079.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
22 RECORDS. The annual audit and other district records shall be open
23 to inspection during regular business hours at the district's
24 principal office. (Acts 70th Leg., R.S., Ch. 16, Sec. 6.03.)

25 Source Law

26 Sec. 6.03. The annual audit and other district
27 records shall be open to inspection during regular
28 business hours at the principal office of the
29 district.

30 Revised Law

31 Sec. 1079.158. FINANCIAL REPORT. As soon as practicable
32 after the close of the fiscal year, the district administrator
33 shall prepare for the board:

34 (1) a sworn statement of the amount of district money;
35 and

36 (2) an account of the disbursements of that money.
37 (Acts 70th Leg., R.S., Ch. 16, Sec. 6.08.)

1 Source Law

2 Sec. 6.08. As soon as practicable after the
3 close of the fiscal year, the administrator shall
4 prepare for the board a sworn statement of the amount
5 of money that belongs to the district and an account of
6 the disbursements of that money.

7 Revised Law

8 Sec. 1079.159. DEPOSITORY. (a) The board shall select at
9 least one bank to serve as a depository for district money.

10 (b) District money, other than money invested as provided by
11 Section 1079.160(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 must remain on
14 deposit. This subsection does not limit the power of the board to
15 place a part of district money on time deposit or to purchase
16 certificates of deposit.

17 (c) The district may not deposit money with a bank in an
18 amount that exceeds the maximum amount secured by the Federal
19 Deposit Insurance Corporation unless the bank first executes a bond
20 or other security in an amount sufficient to secure from loss the
21 district money that exceeds the amount secured by the Federal
22 Deposit Insurance Corporation. (Acts 70th Leg., R.S., Ch. 16, Sec.
23 6.10.)

24 Source Law

25 Sec. 6.10. (a) The board shall name at least
26 one bank to serve as depository for district funds.

27 (b) District funds, other than those invested as
28 provided by Subsection (b) of Section 6.09 of this Act
29 and those transmitted to a bank of payment for bonds or
30 obligations issued or assumed by the district, shall
31 be deposited as received with the depository bank and
32 must remain on deposit. This subsection does not limit
33 the power of the board to place a portion of district
34 funds on time deposit or to purchase certificates of
35 deposit.

36 (c) Before the district deposits funds in a bank
37 in an amount that exceeds the maximum amount secured by
38 the Federal Deposit Insurance Corporation, the bank
39 must execute a bond or other security in an amount
40 sufficient to secure from loss the district funds that
41 exceed the amount secured by the Federal Deposit
42 Insurance Corporation.

43 Revised Law

44 Sec. 1079.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
45 Except as provided by Sections 1079.111, 1079.201, 1079.204, and

1 1079.205, the district may not incur a debt payable from district
2 revenue other than the revenue on hand or to be on hand in the
3 current and the immediately 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 70th Leg., R.S., Ch. 16, Sec. 6.09.)

7 Source Law

8 Sec. 6.09. (a) Except as provided by Subsection
9 (a) of Section 5.07 and Sections 7.01, 7.04, and 7.05
10 of this Act, the district may not incur a debt payable
11 from revenues of the district other than the revenues
12 on hand or to be on hand in the current and immediately
13 following fiscal year of the district.

14 (b) The board may not invest operating,
15 depreciation, or building reserves in funds or
16 securities other than those specified by Article 836
17 or 837, Revised Statutes.

18 Revisor's Note

19 Section 6.09(b), Chapter 16, Acts of the 70th
20 Legislature, Regular Session, 1987, refers to "Article
21 836 or 837, Revised Statutes." Those articles were
22 impliedly repealed by the enactment of the Public
23 Funds Investment Act of 1987 (Article 842a-2, Vernon's
24 Texas Civil Statutes), which was revised in 1993 as
25 Chapter 2256, Government Code. Chapter 2256,
26 Government Code, defines "local government" to include
27 hospital districts and applies to the district by its
28 own terms. The revised law therefore substitutes a
29 reference to Chapter 2256, Government Code, for the
30 reference to Articles 836 and 837.

31 [Sections 1079.161-1079.200 reserved for expansion]

32 SUBCHAPTER E. BONDS

33 Revised Law

34 Sec. 1079.201. GENERAL OBLIGATION BONDS. If authorized by
35 an election, the board may issue and sell general obligation bonds
36 in the name and on the faith and credit of the district to:

37 (1) purchase, construct, acquire, repair, or renovate
38 buildings or improvements;

39 (2) equip buildings or improvements for hospital

1 purposes; or

2 (3) acquire and operate a mobile emergency medical
3 service. (Acts 70th Leg., R.S., Ch. 16, Sec. 7.01.)

4 Source Law

5 Sec. 7.01. If authorized by an election, the
6 board may issue and sell bonds in the name and on the
7 faith and credit of the hospital district to:

8 (1) purchase, construct, acquire, repair,
9 or renovate buildings or improvements;

10 (2) equip buildings or improvements for
11 hospital purposes; or

12 (3) acquire and operate a mobile emergency
13 medical service.

14 Revisor's Note

15 Section 7.01, Chapter 16, Acts of the 70th
16 Legislature, Regular Session, 1987, provides that the
17 board may issue and sell bonds in the name and on the
18 faith and credit of the district. The type of bonds
19 described by Section 7.01 are known as "general
20 obligation bonds," and the revised law is drafted
21 accordingly.

22 Revised Law

23 Sec. 1079.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
24 the time general obligation bonds are issued by the district under
25 Section 1079.201, 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.

28 (b) The tax required by this section together with any other
29 ad valorem tax the district imposes may not in any year exceed the
30 limit approved by the voters at the election authorizing the
31 imposition of the tax. (Acts 70th Leg., R.S., Ch. 16, Sec. 7.02.)

32 Source Law

33 Sec. 7.02. (a) At the time the bonds are issued
34 by the district, the board shall levy a tax.

35 (b) The tax must be sufficient to create an
36 interest and sinking fund to pay the principal of and
37 interest on the bonds as they mature.

38 (c) In any year, the tax together with any other
39 tax the district levies may not exceed the limit
40 approved by the voters at the election authorizing the
41 levy of taxes.

1 Revisor's Note

2 Section 7.02, Chapter 16, Acts of the 70th
3 Legislature, Regular Session, 1987, requires the
4 district to levy a tax sufficient to pay the principal
5 of and interest on bonds. The revised law specifies
6 that the tax is an "ad valorem" tax because it is clear
7 from the source law that the tax is a property tax and
8 "ad valorem" is the term most commonly used to refer to
9 a property tax.

10 Revised Law

11 Sec. 1079.203. 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 70th Leg., R.S., Ch. 16, Sec. 7.03.)

26 Source Law

27 Sec. 7.03. (a) The district may not issue
28 general obligation bonds until the bonds are
29 authorized by a majority of the qualified voters of the
30 district voting at an election called and held for that
31 purpose.

32 (b) The board may order a bond election. The
33 order calling the election must state the nature and
34 date of the election, the hours during which the polls
35 will be open, the location of the polling places, the
36 amount of bonds to be authorized, and the maximum
37 maturity of the bonds.

38 (c) Notice of a bond election shall be given as
39 provided by Article 704, Revised Statutes.

40 (d) The board shall canvass the returns and
41 declare the results of the election.

1 Revisor's Note

2 (1) Section 7.03(a), Chapter 16, Acts of the
3 70th Legislature, Regular Session, 1987, refers to a
4 majority of the "qualified" voters of the district.
5 The revised law omits "qualified" as unnecessary in
6 this context because Chapter 11, Election Code,
7 governs eligibility to vote in an election in this
8 state and allows only "qualified" voters who are
9 residents of the territory covered by the election to
10 vote in an election.

11 (2) Section 7.03(a), Chapter 16, Acts of the
12 70th Legislature, Regular Session, 1987, refers to an
13 election "called and held." The revised law omits
14 references to "calling" an election because, in this
15 context, "calling" an election is included in the
16 meaning of "holding" an election. Under Chapter 3,
17 Election Code, all elections must be ordered (called)
18 before they may be held.

19 (3) Section 7.03(c), Chapter 16, Acts of the
20 70th Legislature, Regular Session, 1987, refers to
21 Article 704, Revised Statutes, which specifies certain
22 notice requirements for a bond election. That
23 provision was codified in 1999 as Section 1251.003,
24 Government Code. The revised law is drafted
25 accordingly.

26 (4) Section 7.03(d), Chapter 16, Acts of the
27 70th Legislature, Regular Session, 1987, provides that
28 "[t]he board shall canvass the returns" of a bond
29 election. The revised law omits that requirement
30 because it duplicates Section 67.002, Election Code,
31 which requires the governing body of a political
32 subdivision that orders an election to canvass the
33 returns.

1 Revised Law

2 Sec. 1079.204. REVENUE BONDS. (a) The board may issue
3 revenue bonds to:

4 (1) purchase, construct, acquire, repair, renovate,
5 or equip buildings or improvements for hospital purposes;

6 (2) acquire sites to be used for hospital purposes; or

7 (3) acquire and operate a mobile emergency medical
8 service to assist the district in carrying out its hospital
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 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, 264.046, 264.047, 264.048, and 264.049,
17 Health and Safety Code, for issuance of revenue bonds by a county
18 hospital authority. (Acts 70th Leg., R.S., Ch. 16, Sec. 7.04.)

19 Source Law

20 Sec. 7.04. (a) The board may issue revenue
21 bonds to:

22 (1) purchase, construct, acquire, repair,
23 equip, or renovate buildings or improvements for
24 hospital purposes;

25 (2) acquire sites to be used for hospital
26 purposes; or

27 (3) acquire and operate a mobile emergency
28 medical service to assist the district in carrying out
29 its hospital purposes.

30 (b) The bonds must be payable from and secured
31 by a pledge of all or part of the revenues derived from
32 the operation of the district's hospital system. The
33 bonds may be additionally secured by a mortgage or deed
34 of trust lien on all or part of district property.

35 (c) The bonds must be issued in the manner
36 provided by Sections 8, 10, 11, 12, and 13, County
37 Hospital Authority Act (Article 4494r, Vernon's Texas
38 Civil Statutes), for issuance of revenue bonds by
39 county hospital authorities.

40 Revisor's Note

41 Section 7.04(c), Chapter 16, Acts of the 70th
42 Legislature, Regular Session, 1987, refers to Sections
43 8, 10, 11, 12, and 13, County Hospital Authority Act
44 (Article 4494r, Vernon's Texas Civil Statutes). Those

1 provisions were codified in 1989 as Sections 264.042,
2 264.043, 264.046, 264.047, 264.048, and 264.049,
3 Health and Safety Code. The revised law is drafted
4 accordingly.

5 Revised Law

6 Sec. 1079.205. REFUNDING BONDS. (a) The board may issue
7 refunding bonds to refund an outstanding indebtedness issued or
8 assumed by the district.

9 (b) Refunding bonds may be:

10 (1) sold, with the proceeds of the refunding bonds
11 applied to the 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 70th
14 Leg., R.S., Ch. 16, Secs. 7.05(a), (c) (part).)

15 Source Law

16 Sec. 7.05. (a) Refunding bonds of the district
17 may be issued to refund and pay off an outstanding
18 indebtedness the district has issued or assumed.

19 (c) The refunding bonds may be sold and the
20 proceeds applied to the payment of outstanding
21 indebtedness or may be exchanged in whole or in part
22 for not less than a similar principal amount of
23 outstanding indebtedness. . . .

24 Revisor's Note

25 Sections 7.05(b) and (c), Chapter 16, Acts of the
26 70th Legislature, Regular Session, 1987, require the
27 district to issue refunding bonds in the manner
28 prescribed by Article 717k-3, Vernon's Texas Civil
29 Statutes, and, for refunding bonds that will be sold,
30 to issue the bonds and to make payments on the bonds in
31 the manner prescribed by Article 717k, Vernon's Texas
32 Civil Statutes. Articles 717k and 717k-3 were
33 codified in 1999 as Chapter 1207, Government Code. The
34 revised law omits the provisions because Chapter 1207,
35 Government Code, applies to the district by its own
36 terms under Section 1207.001, Government Code. The
37 omitted law reads:

1 (b) The bonds must be issued in the
2 manner provided by Chapter 784, Acts of the
3 61st Legislature, Regular Session, 1969
4 (Article 717k-3, Vernon's Texas Civil
5 Statutes).

6 (c) . . . If the refunding bonds are
7 to be sold and the proceeds applied to the
8 payment of outstanding indebtedness, the
9 refunding bonds must be issued and payments
10 made in the manner provided by Chapter 503,
11 Acts of the 54th Legislature, Regular
12 Session, 1955 (Article 717k, Vernon's Texas
13 Civil Statutes).

14 Revised Law

15 Sec. 1079.206. MATURITY OF BONDS. District bonds must
16 mature not later than 50 years after the date of issuance. (Acts
17 70th Leg., R.S., Ch. 16, Sec. 7.06 (part).)

18 Source Law

19 Sec. 7.06. District bonds must mature not more
20 than 50 years after the date of their issuance and
21

22 Revisor's Note

23 Section 7.06, Chapter 16, Acts of the 70th
24 Legislature, Regular Session, 1987, provides that
25 district bonds must bear interest at a rate not to
26 exceed that provided by Chapter 3, Acts of the 61st
27 Legislature, Regular Session, 1969 (Article 717k-2,
28 Vernon's Texas Civil Statutes). The revised law omits
29 that provision because the maximum interest rate noted
30 in Chapter 3 was revised in 1999 as Section 1204.006,
31 Government Code, and Section 1204.006 applies to the
32 district by its own terms by application of Section
33 1204.001, Government Code. The omitted law reads:

34 Sec. 7.06. [District bonds] . . .
35 must bear interest at a rate not to exceed
36 that provided by Chapter 3, Acts of the 61st
37 Legislature, Regular Session, 1969 (Article
38 717k-2, Vernon's Texas Civil Statutes).

39 Revised Law

40 Sec. 1079.207. EXECUTION OF BONDS. (a) The board president
41 shall execute district bonds in the district's name.

42 (b) The board secretary shall countersign the bonds in the
43 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,
44 R.S., Ch. 16, Sec. 7.07.)

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Source Law

Sec. 7.07. The president of the board shall execute the bonds in the name of the district, and the secretary of the board shall countersign the bonds in the manner provided by the Texas Uniform Facsimile Signature of Public Officials Act (Article 717j-1, Vernon's Texas Civil Statutes).

Revisor's Note

Section 7.07, Chapter 16, Acts of the 70th Legislature, Regular Session, 1987, refers to the Texas Uniform Facsimile Signature of Public Officials Act (Article 717j-1, Vernon's Texas Civil Statutes). That statute was codified in 1999 as Chapter 618, Government Code. The revised law is drafted accordingly.

Revised Law

Sec. 1079.208. 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) any transaction relating to the bonds; and
- (3) profits made in the sale of the bonds. (Acts 70th

Leg., R.S., Ch. 16, Sec. 7.11 (part).)

Source Law

Sec. 7.11. . . . bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds are free from taxation by the state or by any city, county, special district, or other political subdivision of the state.

Revisor's Note
(End of Subchapter)

(1) Section 7.08, Chapter 16, Acts of the 70th Legislature, Regular Session, 1987, provides that district bonds are subject to the law governing county bonds that relates to bond approval by the attorney general and registration of the bonds by the comptroller. Section 7.08 also provides that after approval and registration the bonds are "incontestable for any cause." The revised law omits those provisions

1 because they duplicate, in substance, provisions in
2 Chapter 1202, Government Code. Section 1202.003(a),
3 Government Code, requires that bonds be submitted to
4 the attorney general. Section 1202.003(b), Government
5 Code, provides for approval of the bonds by the
6 attorney general and requires the attorney general to
7 submit the approved bonds to the comptroller for
8 registration. Section 1202.005, Government Code,
9 requires registration of the bonds by the comptroller.
10 Section 1202.006, Government Code, provides that after
11 approval and registration the bonds are incontestable
12 and binding obligations. Chapter 1202, Government
13 Code, applies to district bonds by application of
14 Section 1202.001, Government Code. The omitted law
15 reads:

16 Sec. 7.08. (a) District bonds are
17 subject to the same requirements with
18 regard to approval by the attorney general
19 and registration by the comptroller of
20 public accounts as the law provides for
21 approval and registration of bonds issued
22 by counties.

23 (b) On approval by the attorney
24 general and registration by the comptroller
25 of public accounts, the bonds are
26 incontestable for any cause.

27 (2) Section 7.09, Chapter 16, Acts of the 70th
28 Legislature, Regular Session, 1987, provides that
29 district bonds and indebtedness are legal and
30 authorized investments for certain entities. The
31 revised law omits that provision as unnecessary. As to
32 some of the entities listed, Section 7.09 has been
33 superseded and impliedly repealed or it duplicates
34 existing law. Investments in securities by banks are
35 regulated by Section 34.101, Finance Code (enacted in
36 1995 as Section 5.101, Texas Banking Act (Article
37 342-5.101, Vernon's Texas Civil Statutes)).
38 Investments in securities by savings banks are
39 regulated by Section 93.001(c)(10), Finance Code

1 (enacted in 1993 as Section 7.15(10), Texas Savings
2 Bank Act (Article 489e, Vernon's Texas Civil
3 Statutes)). Investments in securities by trust
4 companies are regulated by Section 184.101, Finance
5 Code (enacted in 1997 as Section 5.101, Texas Trust
6 Company Act (Article 342a-5.101, Vernon's Texas Civil
7 Statutes)). Investments in securities by savings and
8 loan associations are regulated by Sections 63.002 and
9 64.001, Finance Code. As to the remaining entities
10 listed, Section 7.09 duplicates Section 1201.041,
11 Government Code (enacted as Section 9, Bond Procedures
12 Act of 1981 (Article 717k-6, Vernon's Texas Civil
13 Statutes)). Section 1201.041, Government Code,
14 applies to district bonds by application of Section
15 1201.002, Government Code. While Section 7.09 lists
16 "guardians" and Section 1201.041 does not, the latter
17 statute includes "fiduciaries" and a guardian is a
18 fiduciary. The revised law omits the reference to
19 public funds of this state because it is superseded by
20 a 1995 amendment to Section 404.024(b), Government
21 Code, which governs the investment of state funds by
22 the comptroller of public accounts. The amendment
23 added Subsection (b)(10) to Section 404.024 and
24 authorizes the investment of state funds in
25 obligations of political subdivisions, including
26 hospital districts. The omitted law reads:

27 Sec. 7.09. District bonds and
28 indebtedness assumed by the district are
29 legal and authorized investments for:
30 (1) banks;
31 (2) savings banks;
32 (3) trust companies;
33 (4) savings and loan
34 associations;
35 (5) insurance companies;
36 (6) fiduciaries;
37 (7) trustees;
38 (8) guardians; and
39 (9) sinking funds of cities,
40 counties, school districts, and other
41 political subdivisions of the state and
42 other public funds of the state and its

1 agencies, including the permanent school
2 fund.

3 (3) Section 7.10, Chapter 16, Acts of the 70th
4 Legislature, Regular Session, 1987, provides that
5 district bonds may secure deposits of public funds of
6 the state or political subdivisions of the state. The
7 revised law omits the provision relating to deposits
8 of state funds by the comptroller as impliedly
9 repealed by Section 404.0221, Government Code (enacted
10 in 1995), which lists eligible collateral for deposits
11 of state funds by the comptroller. As to deposits of
12 other funds, the provision duplicates Chapter 2257,
13 Government Code, which governs eligible collateral for
14 deposits of funds of other public agencies, including
15 political subdivisions, and permits those deposits to
16 be secured by obligations issued by hospital
17 districts. The omitted law reads:

18 Sec. 7.10. District bonds are
19 eligible to secure deposits of public funds
20 of the state and of cities, counties, school
21 districts, and other political subdivisions
22 of the state. The bonds are lawful and
23 sufficient security for deposits to the
24 extent of their value if accompanied by all
25 unmatured coupons.

26 [Sections 1079.209-1079.250 reserved for expansion]

27 SUBCHAPTER F. TAXES

28 Revised Law

29 Sec. 1079.251. IMPOSITION OF AD VALOREM TAX. (a) The board
30 may impose a tax on all property in the district subject to district
31 taxation.

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

33 (1) indebtedness issued or assumed by the district;
34 and

35 (2) the maintenance and operating expenses of the
36 district.

37 (c) The district may not impose a tax to pay the principal of
38 or interest on revenue bonds issued under this chapter. (Acts 70th
39 Leg., R.S., Ch. 16, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

1 Source Law

2 Sec. 8.01. (a) The board may annually levy taxes
3

4 (c) The taxes may be used to pay:
5 (1) the indebtedness issued or assumed by
6 the district; and
7 (2) the maintenance and operating expenses
8 of the district.

9 (d) The district may not levy taxes to pay the
10 principal of or interest on revenue bonds issued under
11 this Act.

12 [Sec. 8.02]

13 (b) The board shall levy taxes on all property
14 in the district subject to hospital district taxation.

15 Revised Law

16 Sec. 1079.252. 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 70th
23 Leg., R.S., Ch. 16, Secs. 8.01(a) (part), (b), 8.03 (part).)

24 Source Law

25 Sec. 8.01. (a) [The board may annually levy
26 taxes] in an amount not to exceed the limit approved by
27 the voters at the election authorizing the levy of
28 taxes.

29 (b) The tax rate for all purposes may not exceed
30 75 cents on each \$100 valuation of all taxable property
31 in the district.

32 Sec. 8.03. In setting the tax rate, the board
33 shall take into consideration the income of the
34 district from sources other than taxation. . . .

35 Revisor's Note

36 Section 8.03, Chapter 16, Acts of the 70th
37 Legislature, Regular Session, 1987, requires the board
38 to levy the tax and to certify the tax rate to the tax
39 assessor-collector. The revised law omits that
40 provision because Section 26.05(a), Tax Code, requires
41 the governing body of a taxing unit to adopt a tax rate
42 for the current tax year and to notify the tax assessor
43 of that rate. The omitted law reads:

1 Sec. 8.03. . . . On determination of
2 the amount of tax required to be levied, the
3 board shall make the levy and certify it to
4 the tax assessor-collector.

5 Revised Law

6 Sec. 1079.253. TAX ASSESSOR-COLLECTOR. The board may
7 provide for the appointment of a tax assessor-collector for the
8 district or may contract for the assessment and collection of taxes
9 as provided by the Tax Code. (Acts 70th Leg., R.S., Ch. 16, Sec.
10 8.04(b).)

11 Source Law

12 (b) The board may provide for the appointment of
13 a tax assessor-collector for the district or may
14 contract for the assessment and collection of taxes as
15 provided by the Tax Code.

16 Revisor's Note

17 Section 8.04(a), Chapter 16, Acts of the 70th
18 Legislature, Regular Session, 1987, provides that the
19 Tax Code governs the appraisal, assessment, and
20 collection of district taxes. The revised law omits
21 that provision because Section 1.02, Tax Code,
22 requires all taxing units of government to administer
23 the assessment and collection of an ad valorem tax in
24 conformity with Title 1, Tax Code. The omitted law
25 reads:

26 Sec. 8.04. (a) The Tax Code governs
27 the appraisal, assessment, and collection
28 of district taxes.

29 Revisor's Note
30 (End of Subchapter)

31 Section 8.02(a), Chapter 16, Acts of the 70th
32 Legislature, Regular Session, 1987, provides that the
33 district may levy taxes for the entire year in which
34 the district is created. The revised law omits that
35 provision as executed. The omitted law reads:

36 Sec. 8.02. (a) The board may levy
37 taxes for the entire year in which the
38 district is created.

39 Revisor's Note
40 (End of Chapter)

41 Sections 5.01(a) and 5.02(2), Chapter 16, Acts of

1 the 70th Legislature, Regular Session, 1987, require
 2 the transfer of certain land, buildings, improvements,
 3 equipment, funds, and reserves to the district after
 4 the district is created and provide for the assumption
 5 of debt by the district on creation. The revised law
 6 omits the provisions as executed. The omitted law
 7 reads:

8 Sec. 5.01. (a) On creation of the
 9 district, Jack County shall convey or
 10 transfer to the district:

11 (1) title to land, buildings,
 12 improvements, and equipment related to the
 13 hospital system owned by Jack County;

14 (2) operating funds and
 15 reserves for operating expenses and funds
 16 that have been budgeted by the
 17 commissioners court of Jack County to
 18 provide medical care for residents of the
 19 district for the remainder of the fiscal
 20 year in which the district is established;

21 (3) taxes levied by Jack County
 22 for hospital purposes for the current year;
 23 and

24 (4) funds established for
 25 payment of indebtedness assumed by the
 26 district.

27 Sec. 5.02. [On creation of the
 28 district, the district:]

29 . . .
 30 (2) assumes any outstanding
 31 indebtedness incurred by Jack County in
 32 providing hospital care for residents of
 33 the territory of the district before the
 34 district's creation; and
 35 . . .

36 CHAPTER 1080. NIXON HOSPITAL DISTRICT OF GONZALES AND WILSON
 37 COUNTIES, TEXAS

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13 CHAPTER 1080. NIXON HOSPITAL DISTRICT OF GONZALES AND WILSON

14 COUNTIES, TEXAS

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 1080.001. 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 Nixon Hospital District of
- 22 Gonzales and Wilson Counties, Texas. (New.)

23 Revisor's Note

24 The definitions of "board," "director," and

25 "district" are added to the revised law for drafting

26 convenience and to eliminate frequent, unnecessary

27 repetition of the substance of the definitions.

28 Revised Law

29 Sec. 1080.002. AUTHORITY FOR CREATION. The Nixon Hospital

30 District of Gonzales and Wilson Counties, Texas, is created under

31 the authority of Section 9, Article IX, Texas Constitution. (Acts

32 59th Leg., R.S., Ch. 644, Sec. 1.)

33 Source Law

34 Sec. 1. By authority of Section 9, Article IX,

35 Constitution of the State of Texas, this Act

1 authorizes the creation of the Nixon Hospital District
2 of Gonzales and Wilson Counties, Texas.

3 Revised Law

4 Sec. 1080.003. DISTRICT TERRITORY. (a) The district is
5 composed of the territory described by Section 2(a), Chapter 644,
6 Acts of the 59th Legislature, Regular Session, 1965.
7 Notwithstanding the metes and bounds description provided by that
8 section, the district does not include any land in Karnes County.

9 (b) The district's boundaries described by Section 2(a),
10 Chapter 644, Acts of the 59th Legislature, Regular Session, 1965,
11 form a closure. An error in copying the description of the
12 boundaries does not affect the validity of the district. (Acts 59th
13 Leg., R.S., Ch. 644, Secs. 2(b), (c); New.)

14 Source Law

15 (b) The Legislature finds that the boundary of
16 the District set forth in Subsection (a) of this
17 Section forms a closure and any error in copying the
18 description contained in that section does not affect
19 the validity of the District.

20 (c) Notwithstanding the metes and bounds
21 description of the District set forth in Subsection
22 (a) of this Section, the District does not include
23 within its boundaries any land lying in Karnes County.

24 Revisor's Note

25 The revision of the law governing the Nixon
26 Hospital District of Gonzales and Wilson Counties,
27 Texas, does not revise the statutory language
28 describing the territory of the district to avoid the
29 lengthy recitation of the description. For the
30 reader's convenience, the revised law includes a
31 reference to the statutory description of the
32 district's territory.

33 Revised Law

34 Sec. 1080.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
35 OBLIGATION. The support and maintenance of the district's hospital
36 system and any indebtedness incurred by the district under this
37 chapter may not become a charge against or obligation of this state.
38 (Acts 59th Leg., R.S., Ch. 644, Sec. 17 (part).)

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Source Law

Sec. 17. The support and maintenance of the hospital system of the District and any indebtedness incurred by the District under this Act shall never become a charge against nor an obligation of the State of Texas,

Revised Law

Sec. 1080.005. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility. (Acts 59th Leg., R.S., Ch. 644, Sec. 17 (part).)

Source Law

Sec. 17. . . . nor shall any direct appropriation be made by the Legislature of the State of Texas for the construction, maintenance or improvement of any of the facilities of the District.

Revisor's Note
(End of Subchapter)

Sections 4(a), (b), (e), (f), and (g) and 7, Chapter 644, Acts of the 59th Legislature, Regular Session, 1965, provide procedures for holding an election on the creation of the district and the imposition of an ad valorem tax. Because the creation of the district and the imposition of the tax were approved at the election, the revised law omits the provisions as executed. The omitted law reads:

Sec. 4. (a) The District authorized to be created by this Act is created by the approval of a majority of the qualified electors who own taxable property within the District and who have duly rendered that property for taxation and who vote at an election called for this purpose.

(b) Upon receiving the petition of 20 people who are qualified to vote in this election, the Commissioners Court of Gonzales County shall order an election for the purpose of creating the District, not less than 20 days nor more than 30 days after the date of the order.

(e) . . . If a majority of the persons voting in the election vote for the creation of the District, the commissioners court shall, within ten days after the results are filed, declare the results and order the District created. A copy of this order shall be placed in the minutes of the court, and a copy filed with the county clerk of each county in the District.

1 (f) If a majority of the persons
2 voting at the election vote against the
3 creation of the District, this does not
4 prevent the holding of other elections for
5 the same purpose.

6 (g) The ballot for this election must
7 be substantially as follows:

8 "FOR the creation of Nixon Hospital
9 District of Gonzales and Wilson Counties,
10 Texas.

11 "AGAINST the creation of Nixon
12 Hospital District of Gonzales and Wilson
13 Counties, Texas."

14 Sec. 7. (a) At the time of the
15 election to create the District and to elect
16 directors, the commissioners court may
17 order an election to determine whether the
18 District may levy taxes within the
19 District. This tax may not exceed
20 seventy-five cents (75¢) on the One Hundred
21 Dollar valuation of all taxable property
22 within the District. If the commissioners
23 court does not include this election in the
24 order for the election to create the
25 District, the Board of Directors may order
26 this election at any time.

27 (b) Prior to this election, notice
28 must be given by the appropriate
29 governmental unit, either the commissioners
30 court or the Board of Directors, in the same
31 manner provided in Section 4 of this Act.
32 The presiding judge of each voting place
33 shall certify the results to the
34 appropriate governmental unit which shall
35 declare the results. The results are to be
36 of public record.

37 (c) The ballot for this election must
38 contain substantially the following:

39 "FOR the levy of a tax not to exceed
40 seventy-five cents (75¢) on the One Hundred
41 Dollar valuation on all property subject to
42 taxation within the District.

43 "AGAINST the levy of a tax not to
44 exceed seventy-five cents (75¢) on the One
45 Hundred Dollar valuation on all property
46 subject to taxation within the District."

47 (d) The Board of Directors shall not
48 levy any tax within the District until a
49 majority of the qualified electors who own
50 taxable property within the District and
51 who have duly rendered that property for
52 taxation voting in an election for this
53 purpose vote for the levy of this tax.

54 [Sections 1080.006-1080.050 reserved for expansion]

55 SUBCHAPTER B. DISTRICT ADMINISTRATION

56 Revised Law

57 Sec. 1080.051. BOARD ELECTION; TERMS. (a) The board
58 consists of seven directors elected from the district at large.

59 (b) Directors serve staggered two-year terms unless
60 four-year terms are established under Section 285.081, Health and

1 Safety Code. (Acts 59th Leg., R.S., Ch. 644, Secs. 5(a) (part), (e),
2 (f), (h) (part).)

3 Source Law

4 Sec. 5. (a) The . . . Board of Directors which
5 consists of seven members, to be elected by the
6 qualified electors who own taxable property within the
7 District and who have duly rendered that property for
8 taxation.

9 (e) Each person entitled to vote for director
10 may cast his vote for seven candidates.

11 (f) The seven persons receiving the highest
12 number of votes at this election shall constitute the
13 first Board of Directors. The four directors
14 receiving the highest number of votes shall serve for
15 two years. The remaining directors elected shall
16 serve for one year.

17 (h) After the second election, all directors
18 shall serve for a two-year term. . . .

19 Revisor's Note

20 (1) Section 5(a), Chapter 644, Acts of the 59th
21 Legislature, Regular Session, 1965, refers to
22 "qualified" electors. The revised law omits
23 "qualified" as unnecessary in this context because
24 Chapter 11, Election Code, governs eligibility to vote
25 in an election in this state and allows only
26 "qualified" voters who are residents of the territory
27 covered by the election to vote in an election.

28 (2) Section 5(a), Chapter 644, Acts of the 59th
29 Legislature, Regular Session, 1965, refers to electors
30 who "own taxable property within the District and who
31 have duly rendered that property for taxation." The
32 revised law omits the quoted language because in Hill
33 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the
34 United States Supreme Court determined that property
35 ownership as a qualification for voting is an
36 unconstitutional denial of equal protection.

37 (3) Section 5(c), Chapter 644, Acts of the 59th
38 Legislature, Regular Session, 1965, required the
39 Commissioners Court of Gonzales County to order the
40 election of directors, publish notice of the election,

1 and certify, file, and declare the election results.
2 Section 5(d), Chapter 644, Acts of the 59th
3 Legislature, Regular Session, 1965, required a
4 candidate for director to file the person's name with
5 the commissioners court at least two weeks before the
6 election. The revised law omits the provisions as
7 executed. The omitted law reads:

8 (c) At the time of ordering the
9 election to create the District, the
10 Commissioners Court of Gonzales County
11 shall order the election of the directors of
12 the District. The court shall publish
13 notice of this election and the results are
14 to be certified, filed and declared in the
15 same manner as provided in Section 4 of this
16 Act.

17 (d) Any person who is qualified to
18 serve on the Board of Directors and who
19 desires to serve shall file his name with
20 the commissioners court at least two weeks
21 before the date of the election.

22 (4) Sections 5(e) and (f), Chapter 644, Acts of
23 the 59th Legislature, Regular Session, 1965, prescribe
24 the procedures for electing the initial board of
25 directors and the terms of the initial directors. The
26 revised law omits those provisions as executed but
27 codifies the establishment of a board consisting of
28 seven directors elected from the district at large
29 serving staggered terms.

30 (5) Section 5(g), Chapter 644, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that
32 directors' elections are held on the first Saturday in
33 April each year. The revised law omits that provision
34 as impliedly repealed by a 1986 amendment to Section
35 41.001, Election Code. Chapter 14, Acts of the 69th
36 Legislature, 3rd Called Session, 1986, amended Section
37 41.001, Election Code, to prescribe certain uniform
38 election dates. Section 37 of that act required a
39 political subdivision that had held its general
40 election of officers on the first Saturday in April to
41 hold that election on a uniform election date in May or

1 to choose a different uniform election date on which to
2 hold the election. The omitted law reads:

3 (g) Thereafter, each year on the
4 first Saturday in April an election is to be
5 held for the purpose of electing the
6 appropriate number of directors to the
7 Board.

8 (6) Section 5(h), Chapter 644, Acts of the 59th
9 Legislature, Regular Session, 1965, provides that
10 directors serve two-year terms. Section 285.081,
11 Health and Safety Code, applicable to this district,
12 provides a mechanism by which the governing board of a
13 hospital district, on its own motion, may order that
14 the directors are to be elected in even-numbered years
15 to serve staggered four-year terms. The revised law is
16 drafted accordingly and adds a reference to Section
17 285.081, Health and Safety Code, for the convenience
18 of the reader.

19 (7) Section 5(h), Chapter 644, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that a
21 director serves until a successor is "elected and
22 qualified." The revised law omits that provision
23 because it duplicates Section 17, Article XVI, Texas
24 Constitution, which provides that an officer in this
25 state is to continue to perform the officer's official
26 duties until a successor has qualified. The omitted
27 law reads:

28 (h) . . . In every case the directors
29 shall serve until their successor has been
30 elected and qualified for the office.

31 Revised Law

32 Sec. 1080.052. QUALIFICATIONS FOR OFFICE. To qualify for
33 election to the board, a person must:

- 34 (1) be at least 18 years of age;
35 (2) have been a resident of the district for at least
36 two years;
37 (3) be a qualified voter; and

1 (4) own taxable property in the district and have duly
2 rendered that property for taxation. (Acts 59th Leg., R.S., Ch.
3 644, Sec. 5(b).)

4 Source Law

5 (b) To qualify for election to the Board, a
6 person must:

- 7 (1) be at least 21 years of age;
8 (2) have been a resident of the District
9 for at least two years;
10 (3) be a qualified voter;
11 (4) own taxable property within the
12 District and have duly rendered that property for
13 taxation.

14 Revisor's Note

15 Section 5(b), Chapter 644, Acts of the 59th
16 Legislature, Regular Session, 1965, provides that a
17 person must be "at least 21 years of age" to qualify
18 for election as a director. The revised law
19 substitutes the age of "18" for "21" because Chapter
20 129, Civil Practice and Remedies Code, establishes 18
21 years as the age of majority in this state. Section
22 129.002, Civil Practice and Remedies Code, provides
23 that a law adopted before August 27, 1973, that extends
24 a right, privilege, or obligation to an individual on
25 the basis of a minimum age of 19, 20, or 21 years shall
26 be interpreted as prescribing a minimum age of 18
27 years. Section 5 was enacted in 1965 and has not been
28 amended.

29 Revised Law

30 Sec. 1080.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
31 OF OFFICE. (a) A person elected to the board shall qualify for
32 office by executing a good and sufficient commercial bond for
33 \$1,000 that is:

- 34 (1) payable to the district; and
35 (2) conditioned on the faithful performance of the
36 director's duties.

37 (b) The district shall pay for a director's bond.

38 (c) Each director's bond and constitutional oath or

1 affirmation of office shall be deposited with the district's
2 depository for safekeeping. (Acts 59th Leg., R.S., Ch. 644, Sec.
3 6(a).)

4 Source Law

5 Sec. 6. (a) When a person is elected to the
6 Board of Directors he shall qualify for office by
7 executing the constitutional oath of office and a good
8 and sufficient commercial bond for \$1,000 payable to
9 the District, conditioned upon the faithful
10 performance of his duties. The oath and bond are to be
11 deposited with the District depository for
12 safekeeping. The cost of the bond is an expense of the
13 District.

14 Revisor's Note

15 Section 6(a), Chapter 644, Acts of the 59th
16 Legislature, Regular Session, 1965, requires each
17 director to take the constitutional oath of office.
18 The revised law omits the provision because Section 1,
19 Article XVI, Texas Constitution, requires all officers
20 in this state to take the oath (or affirmation) before
21 assuming office. Additionally, the revised law
22 provides for the deposit of the constitutional
23 affirmation, as well as the constitutional oath,
24 because Section 1, Article XVI, Texas Constitution,
25 permits an officer in this state to take either the
26 constitutional oath or the affirmation.

27 Revised Law

28 Sec. 1080.054. OFFICERS. The board shall elect from among
29 its members a president, a secretary, and a treasurer at the first
30 meeting after each directors' election. (Acts 59th Leg., R.S., Ch.
31 644, Sec. 6(b).)

32 Source Law

33 (b) The directors shall, at the first meeting
34 after the election elect a president, a secretary, and
35 a treasurer from their number.

36 Revised Law

37 Sec. 1080.055. COMPENSATION; EXPENSES. A director is not
38 entitled to compensation but is entitled to reimbursement for
39 necessary expenses incurred in the performance of official duties.

1 (Acts 59th Leg., R.S., Ch. 644, Sec. 6(c).)

2 Source Law

3 (c) A member of the Board of Directors is not
4 entitled to compensation for his services. However,
5 each member is entitled to reimbursement for any
6 necessary expense incurred by him in the performance
7 of the duties of his office.

8 Revised Law

9 Sec. 1080.056. DISTRICT ADMINISTRATOR. (a) The board may
10 employ a district administrator to manage the operations of the
11 hospital system.

12 (b) The district administrator may employ necessary
13 personnel to perform the services provided by the hospital system.

14 (Acts 59th Leg., R.S., Ch. 644, Sec. 11(e) (part).)

15 Source Law

16 (e) The Board may
17 . . .
18 (3) employ an administrator to manage the
19 operations of the hospital system, who may hire
20 necessary personnel to perform the services provided
21 by the system.

22 Revised Law

23 Sec. 1080.057. EMPLOYEES. The board may employ an
24 attorney, a general manager, a bookkeeper, an architect, and other
25 employees necessary for the efficient operation of the district.

26 (Acts 59th Leg., R.S., Ch. 644, Sec. 11(e) (part).)

27 Source Law

28 (e) The Board may
29 . . .
30 (2) employ an attorney, general manager,
31 bookkeeper, architect, and other employees necessary
32 for the efficient operation of the District;
33 . . .

34 Revised Law

35 Sec. 1080.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

36 The board shall:

37 (1) maintain all district records, including books,
38 accounts, notices, minutes, and other matters of the district and
39 its operation, at the district office; and

40 (2) make those records available for public inspection
41 at reasonable times. (Acts 59th Leg., R.S., Ch. 644, Sec. 11(b).)

1 Source Law

2 (b) The Board shall keep all books, records,
3 accounts, notices, minutes, and other matters of the
4 District and its operation at the office of the
5 District. The Board shall make these items available
6 for public inspection at reasonable times.

7 [Sections 1080.059-1080.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Revised Law

10 Sec. 1080.101. DISTRICT RESPONSIBILITY. The district shall
11 provide all necessary hospital and medical care for the district's
12 needy inhabitants. (Acts 59th Leg., R.S., Ch. 644, Sec. 3(a)
13 (part).)

14 Source Law

15 (a) . . . This District shall provide all
16 necessary hospital and medical care for the needy
17 inhabitants of the District.

18 Revised Law

19 Sec. 1080.102. RESTRICTION ON POLITICAL SUBDIVISION
20 TAXATION AND DEBT. A political subdivision of this state, other
21 than the district, may not impose a tax or issue bonds or other
22 obligations to provide hospital service or medical care in the
23 district. (Acts 59th Leg., R.S., Ch. 644, Sec. 3(a) (part).)

24 Source Law

25 (a) . . . After this District is created as
26 provided in Section 4 of this Act, no other
27 municipality or political subdivision of this State
28 may levy taxes or issue bonds or other obligations of
29 indebtedness for the purpose of providing hospital
30 service or medical care within the District. . . .

31 Revisor's Note

32 (1) Section 3(a), Chapter 644, Acts of the 59th
33 Legislature, Regular Session, 1965, provides that
34 "[a]fter this District is created as provided in
35 Section 4 of this Act," certain political subdivisions
36 may not levy taxes or issue bonds. The revised law
37 omits the quoted language as executed. In addition,
38 throughout this chapter, the revised law substitutes
39 "impose" for "levy" because, in this context, the
40 terms are synonymous and the former is more commonly

1 used.

2 (2) Section 3(a), Chapter 644, Acts of the 59th
3 Legislature, Regular Session, 1965, refers to a
4 "municipality or political subdivision." Throughout
5 this chapter, the revised law omits references to
6 "municipality" in this context because "municipality"
7 is included in the meaning of "political subdivision."

8 Revised Law

9 Sec. 1080.103. MANAGEMENT AND CONTROL OF THE DISTRICT. The
10 management and control of the district is vested in the board, and
11 the board has full power to manage and control the district. (Acts
12 59th Leg., R.S., Ch. 644, Secs. 5(a) (part), 11(a) (part).)

13 Source Law

14 Sec. 5. (a) The management and control of the
15 District is vested in a Board of Directors

16 Sec. 11. (a) The Board of Directors has full
17 power to manage and control the District. . . .

18 Revised Law

19 Sec. 1080.104. HOSPITAL SYSTEM. The district has the
20 responsibility to establish a hospital, hospital system, or clinic
21 within its boundaries to provide hospital and medical care to the
22 district's residents. (Acts 59th Leg., R.S., Ch. 644, Sec. 3(a)
23 (part).)

24 Source Law

25 Sec. 3. (a) The District authorized to be
26 created by this Act is charged with the responsibility
27 of establishing a hospital or a hospital system or a
28 clinic within its boundaries to furnish hospital and
29 medical care to the residents of the District. . . .

30 Revised Law

31 Sec. 1080.105. RULES. (a) The board shall adopt rules for
32 the efficient operation of the district, including district
33 facilities.

34 (b) The board shall:

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

36 (2) provide copies to interested persons on request at
37 district expense. (Acts 59th Leg., R.S., Ch. 644, Sec. 11(c).)

1 Source Law

2 (c) The Board shall adopt rules for the
3 efficient operation of the District and its facilities
4 which are not inconsistent with this Act. The Board
5 shall publish these rules and regulations in book form
6 and furnish copies to interested persons upon request
7 and at the expense of the District.

8 Revisor's Note

9 (1) Section 11(c), Chapter 644, Acts of the 59th
10 Legislature, Regular Session, 1965, provides that the
11 board shall adopt rules that are "not inconsistent
12 with this Act." The revised law omits the quoted
13 language because, under established principles of law,
14 the board is not authorized to take any action contrary
15 to the laws of this state.

16 (2) Section 11(c), Chapter 644, Acts of the 59th
17 Legislature, Regular Session, 1965, refers to "rules
18 and regulations." The revised law omits the reference
19 to "regulations" because under Section 311.005(5),
20 Government Code (Code Construction Act), a rule is
21 defined to include a regulation.

22 Revised Law

23 Sec. 1080.106. 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 59th Leg., R.S., Ch. 644, Sec. 11(e) (part).)

27 Source Law

28 (e) The Board may
29 (1) prescribe the method of making
30 purchases and expenditures and the manner of
31 accounting and control used by the District;
32 . . .

33 Revised Law

34 Sec. 1080.107. EMINENT DOMAIN. (a) The district may
35 exercise the power of eminent domain to acquire a fee simple or
36 other interest in real, personal, or mixed property located in
37 district territory if the interest is necessary for the district to
38 exercise a power or duty conferred on the district by this chapter.

39 (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, the district is not
5 required to:

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

8 (2) provide a bond for costs or a supersedeas bond on
9 an appeal or petition for review. (Acts 59th Leg., R.S., Ch. 644,
10 Sec. 14.)

11 Source Law

12 Sec. 14. (a) The District has the power of
13 eminent domain for the purpose of acquiring by
14 condemnation any interest, including fee simple
15 absolute, in any real, personal, or mixed property
16 within the boundaries of the District that is
17 necessary to the exercise of the powers and duties
18 conferred upon it by this Act.

19 (b) The Board shall exercise this power of
20 eminent domain in the same manner as provided by
21 General Law. However, the District is not required to
22 make deposits in the registry of the trial court or to
23 post bond as required by Paragraph 2, Article 3268,
24 Revised Civil Statutes of Texas, 1925, as amended.

25 (c) The District is not required to pay in
26 advance or to give any bond or other security for costs
27 in the trial court otherwise required for the issuance
28 relating to a condemnation proceeding, nor is it
29 required to give a bond for costs or for supersedeas on
30 an appeal or writ of error proceeding to a Court of
31 Civil Appeals or to the Supreme Court.

32 Revisor's Note

33 (1) Section 14(a), Chapter 644, Acts of the 59th
34 Legislature, Regular Session, 1965, provides that the
35 district has the "power of eminent domain for the
36 purpose of acquiring [property] by condemnation." The
37 revised law substitutes for the quoted language "may
38 exercise the power of eminent domain to acquire
39 [property]" because the phrases have the same meaning
40 and the latter phrase is consistent with modern usage
41 in laws relating to eminent domain.

42 (2) Section 14(b), Chapter 644, Acts of the 59th
43 Legislature, Regular Session, 1965, provides that the
44 district must exercise the power of eminent domain in

1 the manner provided by "General Law." The revised law
2 substitutes for "General Law" a reference to Chapter
3 21, Property Code, because that is the general law
4 governing eminent domain.

5 (3) Section 14(b), Chapter 644, Acts of the 59th
6 Legislature, Regular Session, 1965, refers to
7 Paragraph 2, Article 3268, Revised Civil Statutes of
8 Texas, 1925. That statute was codified in 1983 as
9 Section 21.021(a), Property Code. The revised law is
10 drafted accordingly.

11 (4) Section 14(c), Chapter 644, Acts of the 59th
12 Legislature, Regular Session, 1965, provides that the
13 district is not required to provide a bond on an appeal
14 or "writ of error proceeding" to "a Court of Civil
15 Appeals or to the Supreme Court." The revised law
16 substitutes "petition for review" for "writ of error"
17 because, effective September 1, 1997, the Texas
18 Supreme Court replaced the writ of error procedure
19 with the petition for review procedure. See Rule 53.1,
20 Rules of Appellate Procedure. The revised law omits
21 the references to the court of civil appeals (now the
22 court of appeals) and the supreme court. The revised
23 law omits the references because the court of appeals
24 and the supreme court are the only courts to which the
25 district may appeal or with which the district may file
26 a petition for review.

27 Revised Law

28 Sec. 1080.108. GIFTS AND ENDOWMENTS. The board may accept
29 for the district a gift or endowment to be held in trust and
30 administered by the board under the directions, limitations, or
31 other provisions prescribed in writing by the donor that are not
32 inconsistent with the proper management of the district. (Acts
33 59th Leg., R.S., Ch. 644, Sec. 11(f).)

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Source Law

(f) The Board may accept donations, gifts, and endowments for the District. The Board shall hold all donations, gifts, and endowments in trust and shall administer them under any direction, limitation, or provisions as may be prescribed in writing by the donor, as long as it is not inconsistent with the proper management of the District.

Revisor's Note

Section 11(f), Chapter 644, Acts of the 59th Legislature, Regular Session, 1965, refers to "donations" and "gifts." The revised law omits the reference to "donations" because "donations" is included in the meaning of "gifts."

Revised Law

Sec. 1080.109. CONTRACTS WITH POLITICAL SUBDIVISIONS FOR HOSPITAL AND MEDICAL CARE. The board may contract with another political subdivision to provide hospital and medical care for needy persons who reside outside the district. (Acts 59th Leg., R.S., Ch. 644, Sec. 11(g).)

Source Law

(g) The Board may enter any contract with a municipality or other political subdivision to provide hospital and medical care for needy persons who reside outside the District.

Revised Law

Sec. 1080.110. CONTRACT CONCERNING HEALTH CARE FACILITY IN DISTRICT. The district may contract with any of the following entities for the entity to lease, manage, or operate a health care facility in the district:

- (1) the DeWitt Medical District; and
- (2) Gonzales Healthcare Systems. (Acts 59th Leg., R.S., Ch. 644, Secs. 3(b), (c).)

Source Law

(b) The District may contract with Gonzales Healthcare Systems for Gonzales Healthcare Systems to lease, manage, or operate a health care facility located in the District.

(c) The District may contract with the DeWitt Medical District for the DeWitt Medical District to lease, manage, or operate a health care facility located in the District.

Revised Law

1
2 Sec. 1080.111. PAYMENT FOR TREATMENT; PROCEDURE. (a) A
3 person who resides in the district is entitled to receive necessary
4 medical and hospital care regardless of whether the person has the
5 ability to pay for the care and may apply to receive this care
6 without cost.

7 (b) The board or the district administrator shall employ a
8 person to investigate the ability of the patient and any relative
9 who is liable for the patient's support to pay for the medical and
10 hospital care received by the patient.

11 (c) If the investigator determines that the patient or
12 relative legally liable for the patient's support cannot pay all or
13 part of the costs of the patient's care, the expense of the care
14 becomes a charge against the district.

15 (d) If the patient or a relative legally liable for the
16 patient's support can pay for all or part of the costs of the
17 patient's care, the board shall order the patient or relative to pay
18 to the treasurer each week an amount specified in the order. The
19 amount must be proportionate to the person's ability to pay.

20 (e) The district may collect the amount from the patient's
21 estate, or from any relative who is 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 (f) If there is a dispute as to the ability to pay, or doubt
25 in the mind of the investigator, the board shall hold a hearing and,
26 after calling witnesses, shall:

- 27 (1) determine the question; and
28 (2) make the proper order based on the board's
29 findings.

30 (g) A party to the hearing who is not satisfied with the
31 result of the order may appeal to the district court. The appeal is
32 de novo, as that term is used in an appeal from a justice court to a
33 county court. (Acts 59th Leg., R.S., Ch. 644, Sec. 13.)

1 Source Law

2 Sec. 13. (a) A person who resides within the
3 District is entitled to receive necessary medical and
4 hospital care whether he has the ability to pay for the
5 care or not. A person who resides within the District
6 may make application to receive this care without
7 cost.

8 (b) The Board or the administrator shall employ
9 a person to investigate the ability of the patient and
10 the ability of any relative who is liable for the
11 support of the patient to pay for the medical and
12 hospital care which the patient receives.

13 (c) If the patient or a relative of the patient
14 who is legally liable for his support is able to pay
15 for this care in whole or in part, the Board shall
16 order the patient or his relatives to pay to the
17 treasurer each week an amount specified in the order.
18 The amount must be in proportion to the ability to pay.

19 (d) The District may collect this amount from
20 the estate of the patient, or from his relatives who
21 are liable for his support, in the manner provided by
22 law for the collection of expenses of the last illness
23 of a deceased person.

24 (e) If the investigator finds that neither the
25 patient nor a relative who is legally liable for his
26 support is able to pay in whole or in part for this
27 care, the expense of this care becomes a charge on the
28 District.

29 (f) If there is a dispute as to the ability to
30 pay, or a doubt in the mind of the investigator, the
31 Board shall hear and determine the question, after
32 calling witnesses, and make the proper order based on
33 its findings.

34 (g) A party to the hearing who is not satisfied
35 with the result of the order, may appeal to the
36 district court. The appeal is de novo as that term is
37 used in appeals from the justice courts to the county
38 court.

39 Revisor's Note
40 (End of Subchapter)

41 (1) Section 11(a), Chapter 644, Acts of the 59th
42 Legislature, Regular Session, 1965, provides that a
43 provision of the act that provides a specific power or
44 duty does not limit the district's general authority to
45 carry out the purposes of the act. The revised law
46 omits the provision because it is a generally accepted
47 principle of statutory interpretation that all of a
48 statute is intended to be given effect and that
49 specific grants of power do not limit more general
50 grants of power. Additionally, Section 311.021(2),
51 Government Code (Code Construction Act), provides that
52 an entire statute is intended to be effective. The
53 omitted law reads:

1 (a) . . . Any provision of this Act
2 which provides a specific power or duty does
3 not limit the general authority of the
4 District to carry out the purposes of this
5 Act.

6 (2) Section 16, Chapter 644, Acts of the 59th
7 Legislature, Regular Session, 1965, provides
8 authority for the "State Board of Health, the State
9 Board of Public Welfare, or any other State agency
10 created for a similar purpose" to inspect hospital
11 district facilities and records. The revised law
12 omits Section 16 because various state laws, including
13 Chapters 222 and 241, Health and Safety Code, provide
14 the necessary inspection authority to appropriate
15 state agencies. The omitted law reads:

16 Sec. 16. (a) The District is subject
17 to inspection at any time by an authorized
18 representative of the State Board of
19 Health, the State Board of Public Welfare,
20 or any other State agency created for a
21 similar purpose.

22 (b) The administrator of the hospital
23 shall admit a representative into the
24 facilities of the District and make
25 accessible on demand all District records,
26 reports, books, papers, and accounts.

27 [Sections 1080.112-1080.150 reserved for expansion]

28 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

29 Revised Law

30 Sec. 1080.151. BUDGET. The board shall prepare a budget
31 that includes:

- 32 (1) proposed expenditures and disbursements;
33 (2) estimated receipts and collections for the next
34 fiscal year; and
35 (3) the amount of taxes required to be imposed to meet
36 the proposed budget. (Acts 59th Leg., R.S., Ch. 644, Sec. 12(b).)

37 Source Law

38 (b) The Board shall prepare a budget showing
39 (1) the proposed expenditures and
40 disbursements;
41 (2) the estimated receipts and collections
42 for the next fiscal year;
43 (3) the amount of taxes required to be
44 levied and collected during the next fiscal year to
45 meet the proposed budget.

1 Revisor's Note

2 Section 12(b), Chapter 644, Acts of the 59th
3 Legislature, Regular Session, 1965, refers to taxes
4 "levied and collected." The revised law substitutes
5 "imposed" for the quoted language because "impose" is
6 the term generally used in Title 1, Tax Code, and the
7 term includes the levying and collection of an ad
8 valorem tax.

9 Revised Law

10 Sec. 1080.152. PROPOSED BUDGET: NOTICE AND HEARING. (a)
11 The board shall hold a public hearing on the proposed budget.

12 (b) Notice of the hearing must be published at least once in
13 a newspaper of general circulation in each county in the district
14 not later than the 10th day before the date of the hearing.

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

17 (1) appear at the hearing; and

18 (2) be heard regarding any item in the proposed
19 budget. (Acts 59th Leg., R.S., Ch. 644, Secs. 12(c), (d).)

20 Source Law

21 (c) The Board shall hold a public hearing on the
22 proposed budget after publication of notice in a
23 newspaper of general circulation in each county in the
24 District. The notice must be given at least once not
25 less than ten days prior to the hearing.

26 (d) Any person who owns taxable property within
27 the District and has duly rendered that property for
28 taxation is entitled to appear at the hearing and be
29 heard with reference to any item in the proposed
30 budget.

31 Revised Law

32 Sec. 1080.153. FISCAL YEAR. The district's fiscal year is
33 from October 1 to September 30. (Acts 59th Leg., R.S., Ch. 644,
34 Sec. 12(a).)

35 Source Law

36 Sec. 12. (a) The fiscal year of the hospital
37 district is from October 1 of each year to September 30
38 of the following year.

39 Revised Law

40 Sec. 1080.154. ANNUAL AUDIT. (a) The board annually shall

1 require an independent audit of the district's books and records.

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

4 (1) the comptroller; and

5 (2) the district. (Acts 59th Leg., R.S., Ch. 644, Sec.
6 11(d).)

7 Source Law

8 (d) The Board shall require an annual
9 independent audit of the books and records of the
10 District and shall file a copy of the audit with the
11 Comptroller of Public Accounts and a copy with the
12 District not later than December 1 of each year.

13 Revisor's Note

14 Section 11(d), Chapter 644, Acts of the 59th
15 Legislature, Regular Session, 1965, refers to "the
16 Comptroller of Public Accounts." The revised law
17 substitutes "comptroller" for the quoted language
18 because Section 403.001, Government Code, defines
19 "comptroller" in any state statute to mean the
20 comptroller of public accounts of the State of Texas.

21 Revised Law

22 Sec. 1080.155. DEPOSITORY. (a) The board by resolution
23 shall designate a bank in Gonzales or Wilson County as the
24 district's depository. The designated bank serves for two years
25 and until a successor is designated.

26 (b) All district money shall be deposited in the depository
27 and secured in the manner provided for securing county funds. (Acts
28 59th Leg., R.S., Ch. 644, Sec. 15.)

29 Source Law

30 Sec. 15. Within 30 days after the qualification
31 of the Board of Directors, the Board shall by
32 resolution designate a bank within a county in which
33 the District is located to be the depository of the
34 District. All funds of the District shall be deposited
35 in the depository and shall be secured in the manner
36 now provided for the security of county funds. The
37 depository shall serve for a period of two years and
38 until a successor has been named in accordance with
39 this Section.

40 Revisor's Note

41 (1) Section 15, Chapter 644, Acts of the 59th

1 Legislature, Regular Session, 1965, requires the board
2 to select a depository "[w]ithin 30 days after the
3 qualification of the Board of Directors." The revised
4 law omits the quoted language as executed.

5 (2) Section 15, Chapter 644, Acts of the 59th
6 Legislature, Regular Session, 1965, requires
7 designation of a bank "within a county in which the
8 District is located." Throughout this chapter, and as
9 appropriate considering the context, the revised law
10 substitutes "Gonzales or Wilson County" for the quoted
11 language because those are the counties in which the
12 district is located.

13 [Sections 1080.156-1080.200 reserved for expansion]

14 SUBCHAPTER E. BONDS

15 Revised Law

16 Sec. 1080.201. BONDS. The district may issue bonds to:

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

19 (2) equip buildings for hospital purposes. (Acts 59th
20 Leg., R.S., Ch. 644, Sec. 9(a) (part).)

21 Source Law

22 (a) . . . the District may issue bonds for the
23 purchase, construction, acquisition, repair, or
24 renovation of buildings and improvements, and for
25 equipping the buildings for hospital purposes. . . .

26 Revisor's Note

27 Section 9(a), Chapter 644, Acts of the 59th
28 Legislature, Regular Session, 1965, authorized the
29 commissioners court to order a bond election at the
30 election to create the district. The revised law omits
31 that provision because that election has been
32 conducted. The omitted law reads:

33 Sec. 9. (a) At the time of the
34 election to create the District the
35 commissioners court may order an election
36 to determine whether [the district may
37 issue bonds]

1 Revised Law

2 Sec. 1080.202. TAX TO PAY BONDS. The board may issue bonds
3 under Section 1080.201 only if the board imposes an ad valorem tax
4 at a rate sufficient to create an interest and sinking fund to pay
5 the principal of and interest on the bonds as the bonds mature.
6 (Acts 59th Leg., R.S., Ch. 644, Secs. 10(a) (part), (c).)

7 Source Law

8 Sec. 10. (a) After a majority of those persons
9 voting at the election vote for the levy of a tax, the
10 Board may issue bonds,

11 (c) The Board may not issue any bonds unless a
12 sufficient tax is levied to create an interest and
13 sinking fund to pay the interest and principal as it
14 matures.

15 Revisor's Note

16 (1) Section 10(a), Chapter 644, Acts of the 59th
17 Legislature, Regular Session, 1965, provides that the
18 board may issue bonds "[a]fter a majority of those
19 persons voting at the election vote for the levy of a
20 tax." The revised law omits the quoted language as
21 executed.

22 (2) Section 10(c), Chapter 644, Acts of the 59th
23 Legislature, Regular Session, 1965, requires the
24 district to levy a tax to pay the principal of and
25 interest on bonds. The revised law specifies that the
26 tax is an "ad valorem" tax because it is clear from the
27 source law that the tax is a property tax and "ad
28 valorem" is the term most commonly used to refer to a
29 property tax.

30 Revised Law

31 Sec. 1080.203. BOND ELECTION. (a) The board may issue
32 bonds under Section 1080.201 only if the bonds are authorized by a
33 majority of district voters voting in an election held for that
34 purpose. The total face value of the bonds may not exceed the amount
35 specified in the election order.

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

37 (c) The order calling an 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 of the bonds.

9 (d) A substantial copy of the election order shall be
10 published in a newspaper of general circulation in each county in
11 the district once a week for two consecutive weeks before the date
12 of the election. The first notice must be published at least 14
13 days before the date of the election.

14 (e) A copy of the election results must be filed with the
15 county clerks of Gonzales and Wilson Counties and become a public
16 record. (Acts 59th Leg., R.S., Ch. 644, Secs. 4(c), (d), (e)
17 (part), 9(a) (part), (b), (d), 10(a) (part).)

18 Source Law

19 [Sec. 4]

20 (c) The order calling the election must contain
21 the time and place, or places, of holding the election,
22 the form of the ballot, and the presiding judge for
23 each voting place.

24 (d) The commissioners court shall publish a
25 substantial copy of the election order in a newspaper
26 of general circulation within each county in the
27 District once a week for two consecutive weeks prior to
28 the date of the election. The first notice must be
29 published at least 14 days before the date of the
30 election.

31 (e) . . . A copy of the results is to be filed
32 with the county clerk of each county in the District
33 and become of public record. . . .

34 Sec. 9. (a) . . . If the commissioners court
35 does not include this election in the order for the
36 election to create the District, the Board of
37 Directors may order this election at any time.

38 (b) The order and notice of election and the
39 certification declaration of the results to the county
40 clerks are governed by Section 4 of this Act. In
41 addition to the provisions of that Section, the order
42 of this election must include:

- 43 (1) the purpose for which the bonds are to
44 be issued;
- 45 (2) the amount of the proposed bond issue;
- 46 (3) the maximum interest rate;
- 47 (4) the maximum maturity date of the
48 bonds.

1 (d) The Board of Directors shall not issue any
2 bonds until a majority of the electors who own taxable
3 property within the District and who have duly
4 rendered that property for taxation, voting in an
5 election for this purpose, vote for the issuance of
6 these bonds.

7 Sec. 10. (a) . . . the Board may issue bonds,
8 the total of the face value not to exceed the amount
9 specified in the order of the election.

10 Revisor's Note

11 (1) Section 4(e), Chapter 644, Acts of the 59th
12 Legislature, Regular Session, 1965, provides that the
13 presiding judge of each voting place shall count the
14 votes and certify the results to the commissioners
15 court within 10 days. The revised law omits those
16 requirements as superseded by Sections 67.002, 67.003,
17 and 67.004, Election Code (enacted as Section 1,
18 Chapter 211, Acts of the 69th Legislature, Regular
19 Session, 1985), which require the governing body of a
20 political subdivision that orders an election to
21 canvass the returns and provide the time frame and
22 procedures for the canvass. The omitted law reads:

23 (e) The presiding judge of each
24 voting place shall supervise the counting
25 of all votes cast and shall certify the
26 results to the commissioners court within
27 ten days after the election. . . .

28 (2) Section 9(d), Chapter 644, Acts of the 59th
29 Legislature, Regular Session, 1965, provides that the
30 district may not issue bonds unless authorized at an
31 election by a "majority of the qualified electors who
32 own taxable property within the District and who have
33 duly rendered that property for taxation." The
34 revised law omits the reference to "qualified" for the
35 reason stated in Revisor's Note (1) to Section
36 1080.051. The revised law substitutes "voter" for
37 "elector" because the former is the term used in the
38 Election Code. The revised law omits the quoted
39 language regarding the voters' ownership of taxable
40 property and rendering that property for taxation for
41 the reasons stated in Revisor's Note (2) to Section

1 1080.051.

2 Revised Law

3 Sec. 1080.204. MATURITY OF BONDS. District bonds must
4 mature not later than 40 years after the date of issuance. (Acts
5 59th Leg., R.S., Ch. 644, Sec. 9(c) (part).)

6 Source Law

7 (c) . . . The Board of Directors shall not issue
8 any bond which matures more than 40 years from the date
9 of issuance.

10 Revisor's Note

11 Section 9(c), Chapter 644, Acts of the 59th
12 Legislature, Regular Session, 1965, provides that the
13 interest rate for district bonds may not exceed six
14 percent. The revised law omits the provision because
15 it has been superseded by the enactment of the maximum
16 interest rate provision found in Section 1204.006,
17 Government Code. That section reflects the 1981
18 amendment of Chapter 3, Acts of the 61st Legislature,
19 Regular Session, 1969 (Article 717k-2, Vernon's Texas
20 Civil Statutes, now Chapter 1204, Government Code), by
21 Section 1, Chapter 61, Acts of the 67th Legislature,
22 Regular Session, 1981, and permits a public agency,
23 including a hospital district, to issue public
24 securities at any net effective interest rate of 15
25 percent or less. Section 1204.006, Government Code,
26 applies to district bonds by application of Section
27 1204.001, Government Code. The omitted law reads:

28 (c) The Board shall not issue any
29 bond unless the interest rate is six per
30 cent per annum or less. . . .

31 Revised Law

32 Sec. 1080.205. EXECUTION OF BONDS. (a) The board president
33 shall execute the district's bonds in the district's name.

34 (b) The board secretary shall countersign the bonds. (Acts
35 59th Leg., R.S., Ch. 644, Sec. 10(b) (part).)

1 Source Law

2 (b) The president of the Board shall execute the
3 bonds in the name of and on behalf of the hospital
4 district. The secretary of the Board of Directors
5 shall countersign the bonds. . . .

6 Revisor's Note
7 (End of Subchapter)

8 (1) Section 10(b), Chapter 644, Acts of the 59th
9 Legislature, Regular Session, 1965, provides that
10 district bonds are subject to the law governing
11 counties that relates to bond approval by the attorney
12 general and registration of the bonds by the
13 comptroller. Section 10(b) also provides that after
14 approval and registration the bonds are "incontestable
15 for any reason." The revised law omits those
16 provisions as superseded by Chapter 1202, Government
17 Code (enacted as Article 3, Chapter 53, Acts of the
18 70th Legislature, 2nd Called Session, 1987). Section
19 1202.003(a), Government Code, requires bonds to be
20 submitted to the attorney general. Section
21 1202.003(b), Government Code, provides for approval of
22 the bonds by the attorney general and requires the
23 attorney general to submit the approved bonds to the
24 comptroller for registration. Section 1202.005,
25 Government Code, requires registration of the bonds by
26 the comptroller. Section 1202.006, Government Code,
27 provides that after approval and registration the
28 bonds are incontestable and binding obligations.
29 Chapter 1202, Government Code, applies to district
30 bonds by application of Section 1202.001, Government
31 Code. The omitted law reads:

32 (b) . . . The Attorney General of the
33 State of Texas shall approve the bonds if
34 they meet the same requirements as provided
35 by law for bonds issued by a county. The
36 bonds are to be registered by the
37 Comptroller of Public Accounts of the State
38 of Texas in the same manner as provided by
39 law for the registration of bonds issued by
40 a county. After approval, and
41 registration, the bonds are incontestable

1 for any reason.

2 (2) Section 10(d), Chapter 644, Acts of the 59th
3 Legislature, Regular Session, 1965, provides that
4 district bonds may be made optional for redemption
5 before maturity. The revised law omits this provision
6 because Section 1201.021, Government Code, provides
7 that a public security may be issued as redeemable
8 before maturity at one or more specified times.
9 Section 1201.021, Government Code, applies to district
10 bonds by application of Section 1201.002, Government
11 Code. The omitted law reads:

12 (d) All bonds issued by the District
13 may be made optional for redemption prior to
14 their maturity date in the discretion of the
15 Board.

16 (3) Section 10(e), Chapter 644, Acts of the 59th
17 Legislature, Regular Session, 1965, authorizes the
18 district to issue refunding bonds for bonds issued
19 under that section. The revised law omits this
20 provision because Chapter 1207, Government Code,
21 provides general authority for an issuer, including a
22 hospital district, to issue refunding securities.
23 Section 10(e) also provides that refunding bonds
24 issued under Section 10 must bear interest at the same
25 or lower rate than the bonds being refunded unless the
26 refunding will result in a lower total amount of
27 interest paid. The revised law omits this provision
28 for the reason stated in the revisor's note to Section
29 1080.204. The omitted law reads:

30 (e) The Board may elect to refund and
31 pay off any validly issued and outstanding
32 bonds issued by the District. However, the
33 refund bonds issued must bear interest at
34 the same or a lower rate than the bonds
35 being refunded unless it is shown
36 mathematically that a savings will result
37 in the total interest to be paid.

38 [Sections 1080.206-1080.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Revised Law

3 Sec. 1080.251. 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 tax may be used only to:

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

9 (2) provide for the operation and maintenance of the
10 district and hospital system;

11 (3) make improvements and additions to the hospital
12 system; and

13 (4) acquire sites for additions to the hospital
14 system. (Acts 59th Leg., R.S., Ch. 644, Secs. 8(a) (part), (c).)

15 Source Law

16 (a) . . . the Board of Directors shall levy a
17 tax . . . on all property subject to taxation within
18 the District.

19 (c) The Board may use the proceeds of this tax
20 for the following purposes only:

21 (1) paying the interest on and creating a
22 sinking fund for bonds issued under the provisions of
23 this Act;

24 (2) providing for the operation and
25 maintenance of the hospital district and the hospital
26 system;

27 (3) making improvements and additions to
28 the hospital system;

29 (4) acquiring sites for additions to the
30 hospital system.

31 Revisor's Note

32 (1) Section 8(a), Chapter 644, Acts of the 59th
33 Legislature, Regular Session, 1965, provides that the
34 board shall impose a tax after a vote. The revised law
35 omits the provision as executed. The omitted law
36 reads:

37 Sec. 8. (a) After a majority of
38 those persons voting at the election vote
39 for the levy of a tax,

40 (2) Sections 8(b) and (d), Chapter 644, Acts of
41 the 59th Legislature, Regular Session, 1965, require
42 the board to impose taxes at a certain time and in a

1 certain manner. The revised law omits those
2 provisions because they were repealed by Section 6(b),
3 Chapter 841, Acts of the 66th Legislature, Regular
4 Session, 1979, which repealed all "general, local, and
5 special laws" that conflicted with that act. The 1979
6 act enacted the Property Tax Code (Title 1, Tax Code),
7 a comprehensive, substantive codification of property
8 tax law and its administration. Title 1, Tax Code,
9 provides the exclusive procedures for the assessment
10 and collection of ad valorem taxes by a taxing unit,
11 including a hospital district. The omitted law reads:

12 (b) The Board shall use the same
13 valuation used by the commissioners court
14 in taxing the property for county purposes
15 which appears on the tax rolls of the county
16 in which the property is located.

17 (d) On or before October 1 of each
18 year, the Board shall levy the tax and
19 immediately certify the tax rate to the tax
20 assessor and collector of each county in
21 which the District is located. . . . The
22 taxes of the District are subject to the
23 same conditions as the taxes of the county.

24 Revised Law

25 Sec. 1080.252. TAX RATE. The board may impose the tax at a
26 rate not to exceed 75 cents on each \$100 valuation of taxable
27 property in the district. (Acts 59th Leg., R.S., Ch. 644, Sec. 8(a)
28 (part).)

29 Source Law

30 (a) [. . . the Board of Directors shall levy a
31 tax] not to exceed seventy-five cents (75¢) on the One
32 Hundred Dollar valuation on all property subject to
33 taxation within the District.

34 Revised Law

35 Sec. 1080.253. TAX ASSESSOR-COLLECTOR. The tax
36 assessor-collectors of Gonzales and Wilson Counties shall collect
37 the district taxes imposed on property located in each
38 assessor-collector's respective county. (Acts 59th Leg., R.S., Ch.
39 644, Sec. 8(d) (part).)

40 Source Law

41 (d) . . . The tax assessor and collector of each

1 county shall collect the taxes for the District on
2 property located in that county. . . .

3 Revisor's Note

4 (1) Section 8(e), Chapter 644, Acts of the 59th
5 Legislature, Regular Session, 1965, provides that the
6 county tax assessor-collectors are entitled to a fee
7 as compensation for services. The revised law omits
8 that provision because it was repealed by Section
9 6(b), Chapter 841, Acts of the 66th Legislature,
10 Regular Session, 1979. See Revisor's Note (2) to
11 Section 1080.251. Section 6.27(b), Tax Code, provides
12 for the compensation of a county tax
13 assessor-collector assessing and collecting taxes for
14 another taxing unit. The omitted law reads:

15 (e) The assessor and collector of
16 taxes is entitled to a fee as compensation
17 for his services of not more than one per
18 cent of the total tax collected on property
19 located in that county but not to exceed
20 \$5,000 in any one fiscal year. The Board
21 shall fix the exact amount of compensation.
22 The tax assessor and collector shall deduct
23 this fee from the payments made to the
24 District of the taxes collected, and
25 deposit that amount in the General Fund of
26 the county as a fee of office of the tax
27 assessor and collector.

28 (2) Section 8(f), Chapter 644, Acts of the 59th
29 Legislature, Regular Session, 1965, provides that the
30 district may impose taxes for the entire year in which
31 the district is established. The revised law omits
32 that provision as executed. The omitted law reads:

33 (f) The Board may levy this tax for
34 the entire year in which the District is
35 established to secure funds necessary to
36 initiate the operation of the hospital
37 district.

38 Revisor's Note
39 (End of Chapter)

40 Section 18, Chapter 644, Acts of the 59th
41 Legislature, Regular Session, 1965, provides that
42 proper notice of enactment of the statute was provided
43 in a manner that satisfies the requirements of the
44 Texas Constitution. The revised law omits the

1 provision as executed. The omitted law reads:

2 Sec. 18. The Legislature has found
3 that proper notice has been given in the
4 District affected by this Act in accordance
5 with the requirement of Section 9, Article
6 IX, Constitution of the State of Texas.

7 CHAPTER 1081. NOCONA HOSPITAL DISTRICT

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19 CHAPTER 1081. NOCONA HOSPITAL DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Revised Law

22 Sec. 1081.001. DEFINITIONS. In this chapter:

23 (1) "Board" means the board of directors of the

24 district.

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

26 (3) "District" means the Nocona Hospital District.

27 (New.)

28 Revisor's Note

29 The definitions of "board," "director," and

30 "district" are added to the revised law for drafting

31 convenience and to eliminate frequent, unnecessary

32 repetition of the substance of the definitions.

33 Revised Law

34 Sec. 1081.002. AUTHORITY FOR OPERATION. The Nocona

1 Hospital District operates in accordance with Section 9, Article
2 IX, Texas Constitution, and has the rights, powers, and duties
3 provided by this chapter. (Acts 62nd Leg., R.S., Ch. 868, Sec. 1
4 (part).)

5 Source Law

6 Sec. 1. In accordance with the provisions of
7 Article IX, Section 9 of the Constitution of the State
8 of Texas, this Act shall be operative so as to
9 authorize the creation, establishment, maintenance
10 and operation of a hospital district within this state
11 . . . such district to be known as "Nocona Hospital
12 District" with such rights, powers and duties as
13 provided in this Act.

14 Revisor's Note

15 Section 1, Chapter 868, Acts of the 62nd
16 Legislature, Regular Session, 1971, authorizes the
17 "creation, establishment, maintenance and operation"
18 of the district. The revised law omits "creation" and
19 "establishment" as executed. The revised law omits
20 "maintenance" because, in this context, the meaning of
21 that term is included in the meaning of "operation."

22 Revised Law

23 Sec. 1081.003. ESSENTIAL PUBLIC FUNCTION. The district
24 performs an essential public function in carrying out the purposes
25 of this chapter. (Acts 62nd Leg., R.S., Ch. 868, Sec. 21 (part).)

26 Source Law

27 Sec. 21. In carrying out the purposes of this
28 Act, the district will be performing an essential
29 public function and

30 Revised Law

31 Sec. 1081.004. DISTRICT TERRITORY. The boundaries of the
32 district are coextensive with the boundaries of the Nocona and
33 Prairie Valley Independent School Districts of Montague County,
34 Texas, as those boundaries existed on January 1, 1971. (Acts 62nd
35 Leg., R.S., Ch. 868, Sec. 1 (part).)

36 Source Law

37 Sec. 1. . . . [hospital district] . . . with
38 boundaries coextensive with the boundaries of the
39 Nocona and Prairie Valley Independent School Districts
40 of Montague County, Texas, as the boundaries of said
41 school districts existed on January 1, 1971,

1 Revised Law

2 Sec. 1081.005. 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 62nd Leg., R.S., Ch. 868, Sec. 23 (part).)

7 Source Law

8 Sec. 23. . . . [federal or state constitutions]
9 . . . Where any procedure hereunder may be held by any
10 court to be violative of either of such constitutions,
11 the district shall have the power by resolution to
12 provide an alternative procedure conformable with such
13 constitutions. . . .

14 Revisor's Note

15 Section 23, Chapter 868, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that the
17 act may not be construed to violate the federal or
18 state constitution and requires that action under the
19 act comply with the constitutions. The revised law
20 omits the reference to the federal constitution
21 because, under the Supremacy Clause of the United
22 States Constitution (Clause 2, Article VI), federal
23 law always takes precedence over a state statute. The
24 revised law also omits the reference to the Texas
25 Constitution because the legislature cannot modify
26 constitutional requirements by statute. The omitted
27 law reads:

28 Sec. 23. Nothing in this Act shall be
29 construed to violate any provision of the
30 federal or state constitutions, and all
31 acts done under this Act shall be in such
32 manner as will conform thereto, whether
33 expressly provided or not. . . .

34 Revised Law

35 Sec. 1081.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
36 OBLIGATION. The support and maintenance of the district may not
37 become a charge against or obligation of this state. (Acts 62nd
38 Leg., R.S., Ch. 868, Sec. 20 (part).)

1 Source Law

2 Sec. 20. The support and maintenance of the
3 hospital district shall never become a charge against
4 or obligation of the State of Texas,

5 Revised Law

6 Sec. 1081.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
7 The legislature may not make a direct appropriation for
8 construction, maintenance, or improvement of a district facility.
9 (Acts 62nd Leg., R.S., Ch. 868, Sec. 20 (part).)

10 Source Law

11 Sec. 20. . . . nor shall any direct
12 appropriation be made by the legislature for the
13 construction, maintenance, or improvement of any of
14 the facilities of such district.

15 [Sections 1081.008-1081.050 reserved for expansion]

16 SUBCHAPTER B. DISTRICT ADMINISTRATION

17 Revised Law

18 Sec. 1081.051. BOARD ELECTION; TERM. (a) The board
19 consists of seven directors elected from the district at large.

20 (b) Unless four-year terms are established under Section
21 285.081, Health and Safety Code:

22 (1) directors serve staggered two-year terms;

23 (2) an election shall be held annually on the May
24 uniform election date under Section 41.001, Election Code; and

25 (3) the terms of four directors expire in odd-numbered
26 years and the terms of three directors expire in even-numbered
27 years. (Acts 62nd Leg., R.S., Ch. 868, Secs. 4(a), (b).)

28 Source Law

29 Sec. 4. (a) The board of directors consists of
30 seven persons elected as provided by this section.

31 (b) A regular election for directors shall be
32 held annually on the May uniform election date under
33 Section 41.001, Election Code. Four directors shall
34 be elected in odd-numbered years and three directors
35 shall be elected in even-numbered years. Directors
36 are elected at large and shall serve staggered
37 two-year terms. A director continues to serve until a
38 successor has been elected or appointed and qualified.

39 Revisor's Note

40 (1) Section 4(b), Chapter 868, Acts of the 62nd
41 Legislature, Regular Session, 1971, provides that

1 directors serve two-year terms. Section 285.081,
2 Health and Safety Code, applicable to this district,
3 provides a mechanism by which the governing board of a
4 hospital district, on its own motion, may order that
5 the members are to be elected in even-numbered years to
6 serve staggered four-year terms. The revised law is
7 drafted accordingly and adds a reference to Section
8 285.081, Health and Safety Code, for the convenience
9 of the reader.

10 (2) Section 4(b), Chapter 868, Acts of the 62nd
11 Legislature, Regular Session, 1971, provides that a
12 director serves "until a successor has been elected or
13 appointed and qualified." The revised law omits this
14 provision because it duplicates Section 17, Article
15 XVI, Texas Constitution, which provides that an
16 officer in this state is to continue to perform the
17 officer's official duties until a successor has
18 qualified.

19 Revised Law

20 Sec. 1081.052. QUALIFICATIONS FOR OFFICE. (a) A person may
21 not be elected or appointed as a director unless the person is:

22 (1) a resident of the district; 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 chief executive officer;

27 (2) a district employee; or

28 (3) a medical staff member of the hospital. (Acts 62nd
29 Leg., R.S., Ch. 868, Sec. 4(e).)

30 Source Law

31 (e) No person shall be appointed or elected as a
32 member of the board of directors unless the person is a
33 resident of the district and a qualified voter.
34 Neither the chief executive officer, an employee of
35 the district, nor a member of the medical staff of the
36 hospital is eligible to serve as a director.

1 Revised Law

2 Sec. 1081.053. 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 62nd Leg., R.S., Ch. 868,
5 Sec. 4(d).)

6 Source Law

7 (d) Vacancies in office shall be filled for the
8 unexpired term by the remainder of the board of
9 directors.

10 Revised Law

11 Sec. 1081.054. OFFICERS. (a) The board shall elect:

12 (1) a president and 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 62nd Leg., R.S., Ch. 868, Sec. 4(f) (part).)

18 Source Law

19 (f) The board of directors shall organize by
20 electing one of their number as president and one of
21 their number as vice president. A secretary, who need
22 not be a director, shall also be elected. Officers
23 shall be elected for a term of one year and vacancies
24 shall be filled for the unexpired term by the board of
25 directors. . . .

26 Revised Law

27 Sec. 1081.055. COMPENSATION; EXPENSES. A director or
28 officer serves without compensation but may be reimbursed for
29 actual expenses incurred in the performance of official duties.
30 The expenses must be:

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

32 (2) approved by the board. (Acts 62nd Leg., R.S., Ch.
33 868, Sec. 4(f) (part).)

34 Source Law

35 (f) . . . All members of the board of directors
36 and officers shall serve without compensation, but may
37 be reimbursed for actual expenses incurred in the
38 performance of their official duties upon the approval
39 of such expenses by the board of directors and so
40 reported in the minute book of the district or other
41 records of the district.

1 Revisor's Note

2 Section 4(f), Chapter 868, Acts of the 62nd
3 Legislature, Regular Session, 1971, requires that
4 approved expenses be reported in the "minute book of
5 the district or other records of the district." The
6 revised law omits the reference to the "minute book of
7 the district" because the minute book is a district
8 record.

9 Revised Law

10 Sec. 1081.056. QUORUM. Any five directors constitute a
11 quorum. (Acts 62nd Leg., R.S., Ch. 868, Sec. 4(f) (part).)

12 Source Law

13 (f) . . . Any five members of the board of
14 directors shall constitute a quorum and

15 Revised Law

16 Sec. 1081.057. VOTING REQUIREMENT. A concurrence of five
17 directors is sufficient in any matter relating to district
18 business. (Acts 62nd Leg., R.S., Ch. 868, Sec. 4(f) (part).)

19 Source Law

20 (f) . . . [members of the board of directors]
21 . . . a concurrence of five shall be sufficient in all
22 matters pertaining to the business of the
23 district. . . .

24 Revised Law

25 Sec. 1081.058. CHIEF EXECUTIVE OFFICER; ASSISTANT TO CHIEF
26 EXECUTIVE OFFICER. (a) The board shall appoint a qualified person
27 as the chief executive officer of the district.

28 (b) The board may appoint an assistant to the chief
29 executive officer.

30 (c) The chief executive officer and any assistant to the
31 chief executive officer serve at the will of the board and are
32 entitled to the compensation determined by the board. (Acts 62nd
33 Leg., R.S., Ch. 868, Sec. 5(c) (part).)

34 Source Law

35 (c) The board of directors shall appoint a
36 qualified person to be known as the chief executive
37 officer of the hospital district and may in its
38 discretion appoint an assistant to the chief executive

1 officer. The chief executive officer and assistant to
2 the chief executive officer, if any, shall serve at the
3 will of the board and shall receive such compensation
4 as may be fixed by the board. . . .

5 Revised Law

6 Sec. 1081.059. GENERAL DUTIES OF CHIEF EXECUTIVE OFFICER.

7 Subject to the limitations prescribed by the board, the chief
8 executive officer shall:

9 (1) supervise the work and activities of the district;
10 and

11 (2) direct the affairs of the district. (Acts 62nd
12 Leg., R.S., Ch. 868, Sec. 5(c) (part).)

13 Source Law

14 (c) . . . The chief executive officer shall
15 supervise all the work and activities of the district
16 and shall have general direction of the affairs of the
17 district, subject to the limitations as may be
18 prescribed by the board.

19 Revised Law

20 Sec. 1081.060. APPOINTMENT OF STAFF AND EMPLOYEES. (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 chief executive officer
27 the authority to hire district employees, including technicians and
28 nurses. (Acts 62nd Leg., R.S., Ch. 868, Secs. 5(d), (e), 16.)

29 Source Law

30 [Sec. 5]

31 (d) The board of directors has the authority to
32 appoint to the medical staff doctors as deemed
33 necessary for the efficient operation of the district,
34 and may provide for temporary appointments to the
35 staff if warranted by circumstances.

36 (e) The board may delegate to the chief
37 executive officer the authority to employ technicians,
38 nurses, and employees of the district.

39 Sec. 16. The district may employ fiscal agents,
40 accountants, architects and attorneys as the board may
41 consider proper.

42 Revisor's Note
43 (End of Subchapter)

44 (1) Section 4(c), Chapter 868, Acts of the 62nd

1 Legislature, Regular Session, 1971, requires that
2 notice of an election of directors be published in
3 accordance with Section 4.003, Election Code. The
4 revised law omits that provision because Section
5 4.003, Election Code, is a mandatory election notice
6 provision that applies to district elections by its
7 own terms. The omitted law reads:

8 (c) Notice of each regular election
9 of directors shall be published in
10 accordance with Section 4.003, Election
11 Code. . . .

12 (2) Section 4(c), Chapter 868, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that
14 candidates for director must file an application in
15 accordance with Chapter 144, Election Code. The
16 revised law omits the provision as unnecessary because
17 Section 144.001, Election Code, provides that Chapter
18 144 of that code applies to a candidate for an office
19 of a political subdivision other than a city or county,
20 which includes a candidate for director of a hospital
21 district. The omitted law reads:

22 (c) . . . Any person desiring to
23 have the person's name printed on the ballot
24 as a candidate for director shall file an
25 application in accordance with Chapter 144,
26 Election Code.

27 [Sections 1081.061-1081.100 reserved for expansion]

28 SUBCHAPTER C. POWERS AND DUTIES

29 Revised Law

30 Sec. 1081.101. DISTRICT RESPONSIBILITY. The district has
31 full responsibility for operating all hospital facilities for
32 providing hospital care for the district's needy inhabitants.
33 (Acts 62nd Leg., R.S., Ch. 868, Sec. 19 (part).)

34 Source Law

35 Sec. 19. . . . The said hospital district shall
36 assume full responsibility for the operation of all
37 hospital facilities for the furnishing of hospital
38 care for its needy inhabitants.

1 Revisor's Note

2 Section 19, Chapter 868, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 district "shall assume" full responsibility for
5 operating hospital facilities for providing hospital
6 care for the district's needy inhabitants. The revised
7 law substitutes "has" for the quoted language because
8 the duty to assume the responsibility is executed.

9 Revised Law

10 Sec. 1081.102. RESTRICTION ON POLITICAL SUBDIVISION
11 TAXATION AND DEBT. A political subdivision located within the
12 district may not impose a tax or issue bonds or other obligations
13 for hospital purposes or to provide medical care for the district's
14 inhabitants. (Acts 62nd Leg., R.S., Ch. 868, Sec. 19 (part).)

15 Source Law

16 Sec. 19. After creation of the hospital
17 district, no municipality or political subdivision
18 within the boundaries of the district shall have the
19 power to levy taxes or issue bonds or other obligations
20 for hospital purposes or for providing medical care
21 for inhabitants of the district. . . .

22 Revisor's Note

23 (1) Section 19, Chapter 868, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that
25 "[a]fter creation of the hospital district," certain
26 political subdivisions may not levy taxes or issue
27 bonds. The revised law omits the quoted language as
28 executed. In addition, throughout this chapter, the
29 revised law substitutes "impose" for "levy" because,
30 in this context, the terms are synonymous and the
31 former is more commonly used.

32 (2) Section 19, Chapter 868, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to a
34 "municipality or political subdivision." The revised
35 law omits the reference to "municipality" because
36 "municipality" is included in the meaning of
37 "political subdivision."

1 Revised Law

2 Sec. 1081.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
3 The board shall manage, control, and administer the hospital system
4 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.
5 868, Sec. 5(a) (part).)

6 Source Law

7 Sec. 5. (a) The board of directors shall
8 manage, control, and administer the hospital system
9 and all funds and resources of the district, but
10

11 Revised Law

12 Sec. 1081.104. HOSPITAL SYSTEM. (a) The district shall
13 provide for the 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 system may include:

- 20 (1) residential care of the sick and injured;
21 (2) outpatient clinics;
22 (3) dispensaries;
23 (4) nursing home facilities;
24 (5) necessary nurses;
25 (6) training centers;
26 (7) blood banks;
27 (8) community mental health centers;
28 (9) research centers or laboratories; and
29 (10) any other facility the board considers necessary
30 for hospital care. (Acts 62nd Leg., R.S., Ch. 868, Secs. 2 (part),
31 10(a) (part).)

32 Source Law

33 Sec. 2. . . . such district shall provide for
34 the establishment of a hospital system by the
35 purchase, construction, acquisition, repair or
36 renovation of buildings and equipment, and equipping
37 same, and the administration thereof for hospital
38 purposes. . . .

1 Sec. 10. (a) . . . The hospital system may
2 include residential care and treatment of the sick,
3 wounded and injured, outpatient clinic or clinics,
4 dispensaries, nursing home facilities, necessary
5 nurses, training centers, blood banks, community
6 mental health centers and research centers or
7 laboratories, and any other facilities deemed
8 necessary for hospital care by the directors.

9 Revisor's Note

10 (1) Section 2, Chapter 868, Acts of the 62nd
11 Legislature, Regular Session, 1971, recites the
12 legislative findings that at the time of enactment
13 there was no hospital or hospital system owned by
14 Montague County or any municipality in the district
15 and the district was not in any other hospital
16 district. The revised law omits the provision as
17 executed. The omitted law reads:

18 Sec. 2. It is hereby found and
19 determined that there is no hospital or
20 hospital system owned by Montague County
21 and any city or town within the boundaries
22 of the proposed district and The
23 area of the proposed district is not
24 included within the boundaries of any other
25 hospital district heretofore established.

26 (2) Section 10(a), Chapter 868, Acts of the 62nd
27 Legislature, Regular Session, 1971, refers to the care
28 and treatment of the "sick, wounded and injured." The
29 revised law omits the reference to "wounded" because
30 "wounded" is included in the meaning of "injured."

31 Revised Law

32 Sec. 1081.105. RULES. The board may adopt rules governing
33 the operation of the hospital, the hospital system, and the
34 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 868,
35 Sec. 5(b) (part).)

36 Source Law

37 (b) The district, through its board of
38 directors, shall have the power and authority . . . to
39 promulgate rules and regulations governing the
40 operation of the hospital, hospital system, its staff,
41 and its employees.

42 Revisor's Note

43 Section 5(b), Chapter 868, Acts of the 62nd
44 Legislature, Regular Session, 1971, provides that the

1 board may "promulgate" rules to govern the district.
2 The revised law substitutes "adopt" for "promulgate"
3 because the terms are synonymous and the former is more
4 commonly used.

5 Revised Law

6 Sec. 1081.106. 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 62nd
11 Leg., R.S., Ch. 868, Sec. 10(d) (part).)

12 Source Law

13 (d) The board of directors of such district
14 shall have the power to prescribe the method and manner
15 of making purchases and expenditures by and for such
16 hospital district, and shall also be authorized to
17 prescribe all accounting and control procedures. . . .

18 Revised Law

19 Sec. 1081.107. DISTRICT PROPERTY, FACILITIES, AND
20 EQUIPMENT. (a) The board shall determine the type, number, and
21 location of buildings required to maintain an adequate hospital
22 system.

23 (b) The board may lease all or part of the district's
24 buildings and other facilities on terms considered to be in the best
25 interest of the district's inhabitants. The term of the lease may
26 not exceed 25 years.

27 (c) The district may acquire equipment for use in the
28 district's hospital system and mortgage or pledge the property as
29 security for the payment of the purchase price. A contract entered
30 into under this subsection must provide that the entire obligation
31 be retired not later than the fifth anniversary of the date of the
32 contract.

33 (d) The district may sell or otherwise dispose of any
34 property, including equipment, on terms the board finds are in the
35 best interest of the district's inhabitants. (Acts 62nd Leg.,
36 R.S., Ch. 868, Secs. 10(a) (part), (b) (part), (c), (d) (part).)

1 Source Law

2 Sec. 10. (a) The board of directors is hereby
3 given complete discretion as to the type of buildings
4 (both as to number and location) required to establish
5 and maintain an adequate hospital system. . . .

6 (b) . . . [board of directors] . . . may lease
7 all or part of its buildings and facilities upon terms
8 and conditions considered to be to the best interest of
9 its inhabitants, provided that in no event shall any
10 lease be for a period in excess of twenty-five (25)
11 years from the date entered.

12 (c) The district shall be empowered to sell or
13 otherwise dispose of any property (real or personal)
14 or equipment of any nature upon terms and conditions
15 found by the board to be in the best interest of its
16 inhabitants.

17 (d) . . . The district may acquire equipment
18 for use in its hospital system and mortgage or pledge
19 the property so acquired as security for the payment of
20 the purchase price, but any such contract shall
21 provide for the entire obligation of the district to be
22 retired within five (5) years from the date of the
23 contract. . . .

24 Revisor's Note

25 (1) Section 10(a), Chapter 868, Acts of the 62nd
26 Legislature, Regular Session, 1971, requires the board
27 to determine the type of buildings required to
28 "establish and maintain" an adequate hospital system.
29 The revised law omits the reference to establishing
30 the hospital system as executed.

31 (2) Sections 10(b) and (c), Chapter 868, Acts of
32 the 62nd Legislature, Regular Session, 1971, refer to
33 "terms and conditions." The revised law omits the
34 references to "conditions" because "conditions" is
35 included in the meaning of "terms."

36 (3) Section 10(c), Chapter 868, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to "any
38 property (real or personal)." The revised law omits
39 the reference to "real or personal" because under
40 Section 311.005, Government Code (Code Construction
41 Act), "property" means "real and personal property."

42 Revised Law

43 Sec. 1081.108. EMINENT DOMAIN. (a) The district may
44 exercise the power of eminent domain to acquire a fee simple or
45 other interest in any type of property located in district

1 territory if the interest is necessary or convenient for the
2 district to exercise a power, right, or privilege conferred by this
3 chapter.

4 (b) The district must exercise the power of eminent domain
5 in the manner provided by Chapter 21, Property Code, except 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 petition for review. (Acts 62nd Leg., R.S., Ch. 868,
16 Sec. 14.)

17 Source Law

18 Sec. 14. The district shall have the right and
19 power of eminent domain for the purpose of acquiring by
20 condemnation any and all property of any kind and
21 character in fee simple, or any lesser interest
22 therein, within the boundaries of the district
23 necessary or convenient to the powers, rights, and
24 privileges conferred by this Act. The district must
25 exercise the power of eminent domain in the manner
26 provided by Chapter 21, Property Code, but the
27 district is not required to deposit in the trial court
28 money or a bond as required by Section 21.021(a),
29 Property Code. In condemnation proceedings being
30 prosecuted by the district, the district shall not be
31 required to pay in advance or give bond or other
32 security for costs in the trial court, nor to give any
33 bond otherwise required for the issuance of a
34 temporary restraining order or a temporary injunction
35 nor to give bond for costs or for supersedeas on any
36 appeal or writ of error.

37 Revisor's Note

38 (1) Section 14, Chapter 868, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides that the
40 district has the "right and power of eminent domain for
41 the purpose of acquiring [property] by condemnation."
42 The revised law substitutes for the quoted language
43 "may exercise the power of eminent domain to acquire

1 [property]" because the phrases have the same meaning,
2 and the latter phrase is consistent with modern usage
3 in law relating to eminent domain.

4 (2) Section 14, Chapter 868, Acts of the 62nd
5 Legislature, Regular Session, 1971, refers to a "writ
6 of error." The revised law substitutes "petition for
7 review" for "writ of error" because, effective
8 September 1, 1997, the Texas Supreme Court replaced
9 the writ of error procedure with the petition for
10 review procedure. See Rule 53.1, Rules of Appellate
11 Procedure.

12 Revised Law

13 Sec. 1081.109. GIFTS AND ENDOWMENTS. The board may accept
14 for the district a gift or endowment to be held in trust and
15 administered by the board for the purposes and under the
16 directions, limitations, or other provisions prescribed in writing
17 by the donor that are not inconsistent with the proper management
18 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 868,
19 Sec. 18.)

20 Source Law

21 Sec. 18. The board of directors of the hospital
22 district is authorized on behalf of such district to
23 accept donations, gifts and endowments to be held in
24 trust and administered by the board of directors for
25 such purposes and under such directions, limitations
26 and provisions as may be prescribed in writing by the
27 donor not inconsistent with proper management and
28 object of the hospital district.

29 Revisor's Note

30 Section 18, Chapter 868, Acts of the 62nd
31 Legislature, Regular Session, 1971, refers to
32 "donations" and "gifts." The revised law omits the
33 reference to "donations" because "donations" is
34 included in the meaning of "gifts."

35 Revised Law

36 Sec. 1081.110. CONSTRUCTION CONTRACTS. A construction
37 contract that requires the expenditure of more than the amount
38 provided by Section 271.024, Local Government Code, may be entered

1 into only after competitive bidding as provided by Subchapter B,
2 Chapter 271, Local Government Code. (Acts 62nd Leg., R.S., Ch. 868,
3 Sec. 10(d) (part).)

4 Source Law

5 (d) . . . A contract for construction that
6 requires expenditures in excess of the amount provided
7 by Section 271.024, Local Government Code, may be
8 entered into only after competitive bidding as
9 provided by Subchapter B, Chapter 271, Local
10 Government Code. . . .

11 Revisor's Note

12 Section 10(d), Chapter 868, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that
14 Chapter 2253, Government Code, applies to the
15 district's construction contracts in relation to
16 performance and payment bonds. The revised law omits
17 the provision because Chapter 2253 applies to hospital
18 districts on its own terms. The omitted law reads:

19 (d) . . . The provisions of Chapter
20 2253, Government Code, relating to
21 performance and payment bonds shall apply
22 to construction contracts let by the
23 district. . . .

24 Revised Law

25 Sec. 1081.111. OPERATING AND MANAGEMENT CONTRACTS. The
26 board may enter into an operating or management contract relating
27 to a district facility. (Acts 62nd Leg., R.S., Ch. 868, Sec. 10(b)
28 (part).)

29 Source Law

30 (b) The district, through its board of
31 directors, is further authorized to enter into an
32 operating or management contract with regard to its
33 facilities or a part thereof, or

34 Revised Law

35 Sec. 1081.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
36 HOSPITALIZATION. (a) The board may contract with a county or
37 municipality located outside the district's boundaries for the
38 hospitalization of a sick or injured person of that county or
39 municipality.

40 (b) The board may contract with this state or a federal

1 agency for the hospital treatment of a sick or injured person.
2 (Acts 62nd Leg., R.S., Ch. 868, Sec. 5(f) (part).)

3 Source Law

4 (f) The board . . . shall be authorized to
5 contract with any county or incorporated municipality
6 located outside its boundaries for the hospitalization
7 of the sick, diseased, or injured persons of any such
8 county or municipality, and shall have the authority
9 to contract with the State of Texas, or agencies of the
10 federal government for the hospital treatment of sick,
11 diseased, or injured persons.

12 Revisor's Note

13 (1) Section 5(f), Chapter 868, Acts of the 62nd
14 Legislature, Regular Session, 1971, refers to an
15 "incorporated" municipality. The revised law omits
16 the reference to "incorporated" because under the
17 Local Government Code all municipalities must be
18 incorporated.

19 (2) Section 5(f), Chapter 868, Acts of the 62nd
20 Legislature, Regular Session, 1971, refers to the
21 hospitalization of "sick, diseased, or injured
22 persons." The revised law omits the references to
23 "diseased" because "diseased" is included in the
24 meaning of "sick."

25 Revised Law

26 Sec. 1081.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
27 INVESTIGATORY AND OTHER SERVICES. The board may contract with a
28 political subdivision or governmental agency for the district to
29 provide investigatory or other services for the hospitalization
30 needs of district inhabitants. (Acts 62nd Leg., R.S., Ch. 868, Sec.
31 5(f) (part).)

32 Source Law

33 (f) The board shall be authorized to contract
34 with any other political subdivision or governmental
35 agency whereby the district will provide investigatory
36 or other services as to the hospitalization needs of
37 the inhabitants of the district and

38 Revised Law

39 Sec. 1081.114. CARE AND TREATMENT FOR INDIGENT. The
40 district shall provide health care and treatment to indigent

1 persons in accordance with policies and procedures adopted by the
2 board. (Acts 62nd Leg., R.S., Ch. 868, Sec. 17.)

3 Source Law

4 Sec. 17. The district shall provide health care
5 and treatment to indigent persons in accordance with
6 policies and procedures adopted by the board of
7 directors.

8 Revised Law

9 Sec. 1081.115. AUTHORITY TO SUE AND BE SUED. The district,
10 through the board, may sue and be sued. (Acts 62nd Leg., R.S., Ch.
11 868, Sec. 5(b) (part).)

12 Source Law

13 (b) [The district, through its board of
14 directors, shall have the power and authority] to sue
15 and be sued,

16 [Sections 1081.116-1081.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Revised Law

19 Sec. 1081.151. BUDGET. (a) The chief executive officer
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
28 sources during the ensuing year;

29 (5) the balances expected at the end of the year in
30 which the budget is being prepared;

31 (6) the estimated revenue and balances available to
32 cover the proposed budget; and

33 (7) the estimated tax rate required. (Acts 62nd Leg.,
34 R.S., Ch. 868, Sec. 6(b).)

35 Source Law

36 (b) The chief executive officer shall prepare an
37 annual budget for approval by the board of directors.
38 The budget shall also contain a complete financial

1 statement of the district showing all outstanding
2 obligations of the district, the cash on hand to the
3 credit of each and every fund of the district, the
4 funds received from all sources during the previous
5 year, the funds available from all sources during the
6 ensuing year, with balances expected at year end of the
7 year in which the budget is being prepared, and
8 estimated revenues and balances available to cover the
9 proposed budget and the estimated tax rate which will
10 be required.

11 Revised Law

12 Sec. 1081.152. 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) Any district resident is entitled to be present and be
17 heard at the hearing.

18 (d) At the conclusion of the hearing, the board shall adopt
19 a budget by acting on the budget proposed by the chief executive
20 officer. The board may make any changes in the proposed budget that
21 the board judges to be in the interest of the taxpayers and that the
22 law warrants. (Acts 62nd Leg., R.S., Ch. 868, Sec. 6(c) (part).)

23 Source Law

24 (c) A public hearing on the annual budget shall
25 be held by the board of directors after notice of the
26 hearing has been published in accordance with Chapter
27 551, Government Code. Any resident of the district
28 shall have the right to be present and to be heard at
29 the hearing. At the conclusion of the hearing, the
30 budget, as proposed by the chief executive officer,
31 shall be acted upon by the board of directors. The
32 board of directors shall have authority to make such
33 changes in the budget as in their judgment the law
34 warrants and the interest of the taxpayers
35 demand. . . . the annual budget, and . . . shall be
36 approved by the board of directors. . . .

37 Revised Law

38 Sec. 1081.153. AMENDMENTS TO BUDGET. The budget may be
39 amended as required by circumstances. The board must approve all
40 amendments. (Acts 62nd Leg., R.S., Ch. 868, Sec. 6(c) (part).)

41 Source Law

42 (c) . . . The annual budget may be amended from
43 time to time as the circumstances may require,
44 but . . . all amendments thereto, shall be approved by
45 the board of directors. . . .

46 Revisor's Note

47 Section 6(c), Chapter 868, Acts of the 62nd

1 Legislature, Regular Session, 1971, states that the
2 board may amend the budget "from time to time." The
3 revised law omits the quoted language because the
4 authority to take an action implies the authority to do
5 so at any time.

6 Revised Law

7 Sec. 1081.154. RESTRICTION ON EXPENDITURES. Money may be
8 spent only for an expense included in the budget or an amendment to
9 the budget. (Acts 62nd Leg., R.S., Ch. 868, Sec. 6(c) (part).)

10 Source Law

11 (c) . . . No expenditure may be made for any
12 expense not included in the annual budget or an
13 amendment thereto. . . .

14 Revised Law

15 Sec. 1081.155. FISCAL YEAR. (a) The district operates
16 according to a fiscal year established by the board.

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

- 18 (1) if revenue bonds of the district are outstanding;
19 or
20 (2) more than once in a 24-month period. (Acts 62nd
21 Leg., R.S., Ch. 868, Sec. 6(a) (part).)

22 Source Law

23 Sec. 6. (a) The district shall be operated on
24 the basis of a fiscal year established by the board of
25 directors. The board of directors may not change the
26 fiscal year if revenue bonds of the district are
27 outstanding or more than once in a 24-month
28 period. . . .

29 Revised Law

30 Sec. 1081.156. AUDIT. The board shall have an audit made of
31 the district's financial condition. (Acts 62nd Leg., R.S., Ch.
32 868, Sec. 6(a) (part).)

33 Source Law

34 (a) . . . The board shall cause an audit to be
35 made of the financial condition of the district,
36

37 Revised Law

38 Sec. 1081.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
39 The audit and other district records shall be open to inspection at

1 the district's principal office. (Acts 62nd Leg., R.S., Ch. 868,
2 Sec. 6(a) (part).)

3 Source Law

4 (a) [The board shall cause an audit] . . . which
5 together with other records of the district shall be
6 open to inspection at the principal office of the
7 district.

8 Revised Law

9 Sec. 1081.158. 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 disbursements of that
15 money. (Acts 62nd Leg., R.S., Ch. 868, Sec. 6(c) (part).)

16 Source Law

17 (c) . . . As soon as practicable after the
18 close of each fiscal year, the chief executive officer
19 shall prepare for the board a full sworn statement of
20 all moneys belonging to the district and a full account
21 of the disbursements of same.

22 Revised Law

23 Sec. 1081.159. 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 1081.160(b), and money transmitted to a bank for payment of
28 bonds or obligations issued or assumed by the district, shall be
29 deposited as received with the depository bank and shall remain on
30 deposit.

31 (c) This chapter, including Subsection (b), does not limit
32 the power of the board to place a part of district money on time
33 deposit or to purchase certificates of deposit. (Acts 62nd Leg.,
34 R.S., Ch. 868, Sec. 11.)

35 Source Law

36 Sec. 11. The board of directors of the district
37 shall name one or more banks within or without its
38 boundaries to serve as depository for the funds of the
39 district. All funds of the district (except those
40 invested as provided in Section 5, and those

1 transmitted to a bank or banks of payment for bonds or
2 obligations issued or assumed by the district) shall
3 be deposited as received with the depository bank and
4 shall remain on deposit, provided that nothing herein
5 shall limit the power of the board to place a portion
6 of such funds on time deposit or purchase certificate
7 of deposit.

8 Revised Law

9 Sec. 1081.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
10 Except as otherwise provided by Section 1081.107(c) and Subchapter
11 E, the district may not incur an obligation payable from district
12 revenue other than the revenue on hand or to be on hand in the
13 current and following district fiscal year.

14 (b) The board may invest operating, depreciation, or
15 building reserves only in funds or securities specified by Chapter
16 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 868, Secs. 5(a)
17 (part), 10(d) (part).)

18 Source Law

19 Sec. 5. (a) . . . in no event shall any
20 operating, depreciation, or building fund reserves be
21 invested in any funds or securities other than those
22 specified in Subchapter A, Chapter 2256, Government
23 Code.

24 [Sec. 10]

25 (d) . . . Except as permitted in the preceding
26 sentence and as permitted by Sections 7 and 9, the
27 district may incur no obligation payable from any
28 revenues of the district (tax or otherwise) except
29 those on hand or to be on hand within the then current
30 and following fiscal year of the district.

31 Revisor's Note

32 Section 10(d), Chapter 868, Acts of the 62nd
33 Legislature, Regular Session, 1971, states that
34 "[e]xcept as permitted in the preceding sentence and
35 as permitted by Sections 7 and 9," the district may not
36 incur certain obligations. The preceding sentence in
37 Section 10(d) is revised in Section 1081.107(c).
38 Sections 7 and 9 are revised in Subchapter E. The
39 revised law is drafted accordingly.

40 [Sections 1081.161-1081.200 reserved for expansion]

41 SUBCHAPTER E. BONDS

42 Revised Law

43 Sec. 1081.201. 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 62nd Leg., R.S., Ch. 868, Sec. 7(a).)

7 Source Law

8 Sec. 7. (a) The board of directors shall have
9 the power and authority to issue and sell general
10 obligation bonds in the name and upon the faith and
11 credit of the district for the purchase, construction,
12 acquisition, repair, or renovation of buildings and
13 improvements and equipping the same for hospital
14 purposes, and for any or all of such purposes.

15 Revised Law

16 Sec. 1081.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
17 the time general obligation bonds are issued by the district under
18 Section 1081.201, the board shall impose an ad valorem tax at a rate
19 sufficient to create an interest and sinking fund to pay the
20 principal of and interest on the bonds as the bonds mature.

21 (b) The tax required by this section together with any other
22 ad valorem tax the district imposes may not in any year exceed 75
23 cents on each \$100 valuation of all taxable property in the
24 district. (Acts 62nd Leg., R.S., Ch. 868, Sec. 7(b) (part).)

25 Source Law

26 (b) At the time of the issuance of any general
27 obligation bonds by the district a tax shall be levied
28 by the board sufficient to create an interest and
29 sinking fund to pay the interest on and principal of
30 said bonds as same mature, providing such tax together
31 with any other taxes levied for the district shall not
32 exceed Seventy-five cents (75¢) on each One Hundred
33 Dollars (\$100) valuation of taxable property in any
34 one year, upon all taxable property situated within
35 the hospital district,

36 Revisor's Note

37 Section 7(b), Chapter 868, Acts of the 62nd
38 Legislature, Regular Session, 1971, requires the
39 district to levy a tax to pay the principal of and
40 interest on bonds. The revised law specifies that the
41 tax is an "ad valorem" tax because it is clear from the
42 source law that the tax is a property tax and "ad

1 valorem" is the term most commonly used to refer to a
2 property tax.

3 Revised Law

4 Sec. 1081.203. GENERAL OBLIGATION BOND ELECTION. (a) The
5 district may issue general obligation bonds only if the bonds are
6 authorized by a majority of the district voters voting at an
7 election held for that purpose.

8 (b) The order and publication of notice for the bond
9 election must be provided in accordance with Chapter 1251,
10 Government Code. (Acts 62nd Leg., R.S., Ch. 868, Sec. 7(c) (part).)

11 Source Law

12 (c) General obligation bonds may not be issued
13 by the district until authorized by a majority of the
14 voters of the district voting at an election called for
15 such purpose. The order for the bond election and the
16 publication of notice for the election must be
17 provided in accordance with Chapter 1251, Government
18 Code. . . .

19 Revisor's Note

20 Section 7(c), Chapter 868, Acts of the 62nd
21 Legislature, Regular Session, 1971, provides that a
22 bond election be conducted in accordance with the
23 general laws of this state pertaining to general
24 elections, except as modified by that chapter. The
25 general law on elections is the Election Code. The
26 revised law omits the provision because Section 1.002,
27 Election Code, provides that the Election Code applies
28 to all elections held in this state. An exception to
29 the application of the Election Code would apply by its
30 own terms. The omitted law reads:

31 (c) . . . The election shall be
32 conducted in accordance with the general
33 laws of this state pertaining to general
34 elections, except as modified by the
35 provisions of this Act.

36 Revised Law

37 Sec. 1081.204. REVENUE BONDS. (a) The board may issue
38 revenue bonds to:

39 (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, 264.046, 264.047, 264.048, and 264.049, Health
11 and Safety Code, for issuance of revenue bonds by a county hospital
12 authority. (Acts 62nd Leg., R.S., Ch. 868, Sec. 9 (part).)

13 Source Law

14 Sec. 9. In addition to the power to issue bonds
15 payable from taxes levied by the district, as
16 contemplated by the preceding section, the board of
17 directors is further authorized to issue, and . . .
18 revenue bonds for purchasing, constructing,
19 acquiring, repairing, equipping, or renovating
20 buildings and improvements for hospital purposes, and
21 for acquiring sites therefor, such bonds to be payable
22 from and secured by a pledge of all or any part of the
23 revenues of the district to be derived from the
24 operation of its hospital or hospitals, and such bonds
25 may be additionally secured by a mortgage or deed of
26 trust lien on any part or all of its properties. Such
27 bonds shall be issued in the manner and in accordance
28 with the procedures and requirements specified for the
29 issuance of revenue bonds by County Hospital
30 Authorities in Sections 264.042, 264.043, and
31 264.046-264.049, Health and Safety Code.

32 Revised Law

33 Sec. 1081.205. MATURITY OF BONDS. District bonds must
34 mature not later than 40 years after the date of issuance. (Acts
35 62nd Leg., R.S., Ch. 868, Sec. 7(e) (part).)

36 Source Law

37 (e) . . . All bonds shall mature within forty
38 (40) years of their date, . . .

39 Revised Law

40 Sec. 1081.206. EXECUTION OF BONDS. (a) The board president
41 shall execute the district's bonds in the district's name.

42 (b) The board secretary shall countersign the bonds in the
43 manner provided by Chapter 618, Government Code. (Acts 62nd Leg.,

1 R.S., Ch. 868, Sec. 7(e) (part).)

2 Source Law

3 (e) [bonds] . . . shall be executed in the name
4 of the hospital district and in its behalf by the
5 president of the board and countersigned by the
6 secretary in the manner provided by Chapter 618,
7 Government Code, and

8 Revisor's Note

9 (1) Section 7(e), Chapter 868, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that
11 district bonds must bear interest at a rate not to
12 exceed the rate permitted by Chapter 1204, Government
13 Code. The revised law omits that provision because
14 Chapter 1204 applies to district bonds by its own terms
15 by application of Section 1204.001, Government Code.
16 The omitted law reads:

17 (e) Bonds of the district shall bear
18 interest at a rate not to exceed the rate
19 permitted by Chapter 1204, Government
20 Code. . . .

21 (2) Section 7(e), Chapter 868, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that
23 district bonds are subject to the law governing
24 counties that relates to bond approval by the attorney
25 general and registration of the bonds by the
26 comptroller. Section 7(e) also provides that after
27 approval and registration the bonds are "incontestable
28 for any cause." The revised law omits those provisions
29 because they duplicate, in substance, provisions in
30 Chapter 1202, Government Code (enacted as Article 3,
31 Chapter 53, Acts of the 70th Legislature, 2nd Called
32 Session, 1987). Section 1202.003(a), Government Code,
33 requires bonds to be submitted to the attorney
34 general. Section 1202.003(b), Government Code,
35 provides for approval of the bonds by the attorney
36 general and requires the attorney general to submit
37 the approved bonds to the comptroller for
38 registration. Section 1202.005, Government Code,

1 requires registration of the bonds by the comptroller.
2 Section 1202.006, Government Code, provides that after
3 approval and registration the bonds are incontestable
4 and binding obligations. Chapter 1202, Government
5 Code, applies to district bonds by application of
6 Section 1202.001, Government Code. The omitted law
7 reads:

8 (e) [bonds] . . . shall be subject to
9 the same requirements in the manner of
10 approval by the Attorney General of Texas
11 and registration by the Comptroller of
12 Public Accounts of the State of Texas as are
13 by law provided for approval and
14 registration of bonds issued by counties.
15 Upon the approval of such bonds by the
16 Attorney General and registration by the
17 Comptroller, the bonds shall be
18 incontestable for any cause.

19 Revised Law

20 Sec. 1081.207. 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) the transfer and issuance of the bonds; and
25 (3) profits made in the sale of bonds. (Acts 62nd
26 Leg., R.S., Ch. 868, Sec. 21 (part).)

27 Source Law

28 Sec. 21. . . . any bonds issued by it and their
29 transfer and the issuance therefrom, including any
30 profits made in the sale thereof, shall at all times be
31 free from taxation by the state or any municipality or
32 political subdivision thereof.

33 Revisor's Note

34 Section 21, Chapter 868, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to "any
36 municipality or political subdivision" of this state.
37 The revised law omits "municipality" because that term
38 is included in the meaning of "political subdivision"
39 of this state.

40 Revisor's Note
41 (End of Subchapter)

- 42 (1) Sections 7(d) and 9, Chapter 868, Acts of

1 the 62nd Legislature, Regular Session, 1971, authorize
2 the district to issue refunding bonds. The revised law
3 omits those provisions because Chapter 1207,
4 Government Code, provides general authority for an
5 issuer, including a hospital district, to issue
6 refunding securities and prescribes procedures
7 applicable to the securities. The omitted law reads:

8 [Sec. 7]

9 (d) The district may issue refunding
10 bonds in accordance with Chapter 1207,
11 Government Code.

12 Sec. 9. . . . [the board of directors
13 is further authorized] . . . to refund any
14 previously issued [revenue bonds]

15 (2) Section 13, Chapter 868, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that
17 district bonds are legal and authorized investments
18 for certain entities. The revised law omits that
19 provision as unnecessary. As to several of the
20 entities listed, Section 13 has been superseded and
21 impliedly repealed. Investments in securities by banks
22 are regulated by Section 34.101, Finance Code (enacted
23 in 1995 as Section 5.101, Texas Banking Act (Article
24 342-5.101, Vernon's Texas Civil Statutes)).
25 Investments in securities by savings banks are
26 regulated by Section 93.001(c)(10), Finance Code
27 (enacted in 1993 as Section 7.15(10), Texas Savings
28 Bank Act (Article 489e, Vernon's Texas Civil
29 Statutes)). Investments in securities by trust
30 companies are regulated by Section 184.101, Finance
31 Code (enacted in 1997 as Section 5.101, Texas Trust
32 Company Act (Article 342a-5.101, Vernon's Texas Civil
33 Statutes)). Investments in securities by savings and
34 loan associations are regulated by Sections 63.002 and
35 64.001, Finance Code. As to the remaining entities
36 listed, Section 13 duplicates Section 1201.041,
37 Government Code (enacted as Section 9, Bond Procedures

1 Act of 1981 (Article 717k-6, Vernon's Texas Civil
2 Statutes)). Section 1201.041, Government Code,
3 applies to district bonds by application of Section
4 1201.002, Government Code. While Section 13 lists
5 "guardians" and Section 1201.041 does not, the latter
6 statute includes fiduciaries and a guardian is a
7 fiduciary. The revised law omits the reference to
8 public funds of this state because it has been
9 superseded by Section 404.024, Government Code
10 (enacted in 1985 as Section 2.014, Treasury Act
11 (Article 4393-1, Vernon's Texas Civil Statutes)),
12 which governs the investment of state funds. Section
13 404.024(b)(10), Government Code, authorizes the
14 investment of state funds in obligations of political
15 subdivisions, including hospital districts. The
16 omitted law reads:

17 Sec. 13. All bonds issued by the
18 district shall be and are hereby declared to
19 be legal and authorized investments of
20 banks, savings banks, trust companies,
21 building and loan associations, savings and
22 loan associations, insurance companies,
23 fiduciaries, trustees, guardians, and
24 sinking funds of cities, towns, villages,
25 counties, school districts or other
26 political subdivisions of the State of
27 Texas, and for all public funds of the State
28 of Texas or its agencies including the State
29 Permanent School Fund. . . .

30 (3) Section 13, Chapter 868, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that
32 district bonds may secure deposits of public funds of
33 this state or political subdivisions of this state.
34 The revised law omits the provisions as impliedly
35 repealed by Section 404.0221, Government Code (enacted
36 in 1995), which lists eligible collateral for deposits
37 of state funds by the comptroller, and by Chapter 2257,
38 Government Code (enacted in 1989 as Article 2529d,
39 Vernon's Texas Civil Statutes), which governs eligible
40 collateral for deposits of funds of other public

1 agencies, including political subdivisions. The
2 omitted law reads:

3 Sec. 13. . . . Such bonds shall be
4 eligible to secure deposit of public funds
5 of the State of Texas and public funds of
6 cities, towns, villages, counties, school
7 districts or other political subdivisions
8 or corporations of the State of Texas, and
9 shall be lawful and sufficient security for
10 said deposits to the extent of their value
11 when accompanied by all unmatured coupons
12 appurtenant thereto.

13 [Sections 1081.208-1081.250 reserved for expansion]

14 SUBCHAPTER F. TAXES

15 Revised Law

16 Sec. 1081.251. 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 pay:

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

21 and

22 (2) the maintenance and operating expenses of the
23 district.

24 (c) The board may not impose the tax to pay the principal of
25 or interest on revenue bonds issued under Section 1081.204. (Acts
26 62nd Leg., R.S., Ch. 868, Secs. 7(b) (part), 12 (part), 15(b).)

27 Source Law

28 [Sec. 7]

29 (b) . . . [a tax shall be levied by the board]
30 . . . upon all taxable property situated within the
31 hospital district, subject to hospital district
32 taxation.

33 Sec. 12. The board of directors shall annually
34 levy a tax . . . for the purpose of paying (1) the
35 indebtedness issued by the district, but no tax shall
36 be levied to pay principal or interest on revenue bonds
37 issued under the provisions of Section 9 hereof, and
38 (2) the maintenance and operating expenses of the
39 district. . . .

40 [Sec. 15]

41 (b) The district may impose the tax to pay:

42 (1) the indebtedness issued or assumed by
43 the district; and

44 (2) the maintenance and operating expenses
45 of the district.

1 Revised Law

2 Sec. 1081.252. TAX RATE. (a) The board may impose the tax
3 at a rate not to exceed 75 cents on each \$100 valuation of all
4 taxable 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 62nd
7 Leg., R.S., Ch. 868, Secs. 7(b) (part), 12 (part), 15(a).)

8 Source Law

9 [Sec. 7]

10 (b) . . . [providing such tax together with any
11 other taxes levied for the district] shall not exceed
12 Seventy-five cents (75¢) on each One Hundred Dollars
13 (\$100) valuation of taxable property in any one year,
14 upon all taxable property situated within the hospital
15 district,

16 Sec. 12. [The board of directors shall annually
17 levy a tax] of not to exceed the amount hereinabove
18 permitted In setting such tax rate the board
19 shall take into consideration the income of the
20 district from sources other than taxation. . . .

21 Sec. 15. (a) The board of directors annually
22 may impose property taxes in an amount not to exceed 75
23 cents on each \$100 valuation of all taxable property in
24 the district.

25 Revisor's Note

26 Section 12, Chapter 868, Acts of the 62nd
27 Legislature, Regular Session, 1971, requires the board
28 to levy the tax and to certify the tax rate to the tax
29 assessor-collector. The revised law omits that
30 provision because Section 26.05(a), Tax Code, requires
31 the governing body of a taxing unit to adopt a tax rate
32 for the current tax year and to notify the tax assessor
33 of that rate. The omitted law reads:

34 Sec. 12. . . . Upon determination of
35 the amount of tax required to be levied, the
36 board shall make such levy and certify the
37 same to the Assessor-Collector.

38 Revised Law

39 Sec. 1081.253. TAX ASSESSOR-COLLECTOR. The board may
40 provide for the appointment of a tax assessor-collector for the
41 district or may contract for the assessment and collection of taxes
42 as provided by the Tax Code. (Acts 62nd Leg., R.S., Ch. 868, Sec.

1 15(d).)

2 Source Law

3 (d) The board of directors may provide for the
4 appointment of a tax assessor-collector for the
5 district or may contract for the assessment and
6 collection of taxes as provided by the Tax Code.

7 Revisor's Note
8 (End of Subchapter)

9 Section 15(c), Chapter 868, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that the
11 Tax Code governs the appraisal, assessment, and
12 collection of district taxes. The revised law omits
13 that provision because Section 1.02, Tax Code,
14 requires all taxing units of the government to
15 administer the assessment and collection of an ad
16 valorem tax in conformity with Title 1, Tax Code. The
17 omitted law reads:

18 (c) The Tax Code governs the
19 appraisal, assessment, and collection of
20 district taxes.

21 [Sections 1081.254-1081.300 reserved for expansion]

22 SUBCHAPTER G. DISSOLUTION

23 Revised Law

24 Sec. 1081.301. DISSOLUTION; ELECTION. (a) The district
25 may be dissolved only on approval of a majority of the registered
26 district voters voting in an election held for that purpose.

27 (b) The board may order an election on the question of
28 dissolving the district and disposing of the district's assets and
29 obligations.

30 (c) The board shall order an election if the board receives
31 a petition requesting an election that is signed by at least 15
32 percent of the registered voters in the district.

33 (d) The election shall be held not later than the 60th day
34 after the date the election is ordered.

35 (e) The order calling the election must state:

36 (1) the nature of the election, including the
37 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 (f) Section 41.001(a), Election Code, does not apply to an
5 election ordered under this section. (Acts 62nd Leg., R.S., Ch.
6 868, Secs. 19A(a), (b), (c), (d).)

7 Source Law

8 Sec. 19A. (a) The district may be dissolved
9 only if the dissolution is approved by a majority of
10 the registered voters of the district voting in an
11 election held for that purpose.

12 (b) The board of directors may order an election
13 on the question of dissolving the district and
14 disposing of the district's assets and obligations.
15 The board shall order an election if the board receives
16 a petition requesting an election that is signed by a
17 number of registered voters of the district equal to at
18 least 15 percent of the registered voters in the
19 district.

20 (c) An election ordered under this section shall
21 be held not later than the 60th day after the date the
22 election is ordered. Section 41.001, Election Code,
23 does not apply to an election ordered under this
24 section.

25 (d) The order calling an election under this
26 section must state:

- 27 (1) the nature of the election, including
28 the proposition that is to appear on the ballot;
29 (2) the date of the election;
30 (3) the hours during which the polls will
31 be open; and
32 (4) the location of the polling places.

33 Revised Law

34 Sec. 1081.302. NOTICE OF ELECTION. (a) The board shall
35 give notice of an election under this subchapter by publishing once
36 a week for two consecutive weeks a substantial copy of the election
37 order in a newspaper with general circulation in the district.

38 (b) The first publication of notice must appear not later
39 than the 35th day before the date set for the election. (Acts 62nd
40 Leg., R.S., Ch. 868, Sec. 19A(e).)

41 Source Law

42 (e) The board of directors shall give notice of
43 the election by publishing a substantial copy of the
44 election order in a newspaper with general circulation
45 in the district once a week for two consecutive weeks.
46 The first publication must appear not later than the
47 35th day before the date set for the election.

48 Revised Law

49 Sec. 1081.303. BALLOT. The ballot for an election under

1 this subchapter must be printed to permit voting for or against the
2 proposition: "The dissolution of the Nocona Hospital District."
3 (Acts 62nd Leg., R.S., Ch. 868, Sec. 19A(f).)

4 Source Law

5 (f) The ballot for the election must be printed
6 to permit voting for or against the proposition: "The
7 dissolution of the Nocona Hospital District."

8 Revised Law

9 Sec. 1081.304. 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 62nd Leg., R.S., Ch. 868, Sec.
17 19A(g).)

18 Source Law

19 (g) If a majority of the votes in the election
20 favor dissolution, the board of directors shall find
21 that the district is dissolved. If a majority of the
22 votes in the election do not favor dissolution, the
23 board shall continue to administer the district, and
24 another election on the question of dissolution may
25 not be held before the first anniversary of the most
26 recent election to dissolve the district.

27 Revised Law

28 Sec. 1081.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)
29 If a majority of the votes in the election held under this
30 subchapter favor dissolution, the board shall:

31 (1) transfer the land, buildings, improvements,
32 equipment, and other assets that belong to the district to Montague
33 County or another governmental entity in Montague County; or

34 (2) administer the property, assets, and debts until
35 all money has been disposed of and all district debts have been paid
36 or settled.

37 (b) If the district makes the transfer under Subsection
38 (a)(1), the county or entity assumes all debts and obligations of
39 the district at the time of the transfer, and the district is

1 dissolved.

2 (c) If Subsection (a)(1) does not apply and the board
3 administers the property, assets, and debts of the district under
4 Subsection (a)(2), the district is dissolved when all the money has
5 been disposed of and all district debts have been paid or settled.
6 (Acts 62nd Leg., R.S., Ch. 868, Secs. 19A(h), (i), (j).)

7 Source Law

8 (h) If a majority of the votes in the election
9 favor dissolution, the board of directors shall:

10 (1) transfer the land, buildings,
11 improvements, equipment, and other assets that belong
12 to the district to Montague County or another
13 governmental entity in Montague County; or

14 (2) administer the property, assets, and
15 debts until all money has been disposed of and all
16 district debts have been paid or settled.

17 (i) If the district transfers the land,
18 buildings, improvements, equipment, and other assets
19 to Montague County or another governmental entity, the
20 county or entity assumes all debts and obligations of
21 the district at the time of the transfer, and the
22 district is dissolved.

23 (j) If the district does not transfer the land,
24 buildings, improvements, equipment, and other assets
25 to Montague County or another governmental entity, the
26 board of directors shall administer the property,
27 assets, and debts of the district until all funds have
28 been disposed of and all district debts have been paid
29 or settled, at which time the district is dissolved.

30 Revised Law

31 Sec. 1081.306. IMPOSITION OF TAX AND RETURN OF SURPLUS. (a)
32 After the board finds that the district is dissolved, the board
33 shall:

34 (1) determine any debt owed by the district; and

35 (2) impose on the property included on the district's
36 tax roll a tax that is in proportion of any debt to the property
37 value.

38 (b) On the payment of all outstanding debts and obligations
39 of the district, the board shall order the secretary to return to
40 each district taxpayer the taxpayer's pro rata share of all unused
41 tax money.

42 (c) A taxpayer may request that the taxpayer's share of
43 surplus tax money be credited to the taxpayer's county taxes. If a
44 taxpayer requests the credit, the board shall direct the secretary
45 to transmit the money to the county tax assessor-collector. (Acts

1 62nd Leg., R.S., Ch. 868, Secs. 19A(k), (l), (m).)

2 Source Law

3 (k) After the board of directors finds that the
4 district is dissolved, the board shall:

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

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

10 (l) When all outstanding debts and obligations
11 of the district are paid, the board of directors shall
12 order the secretary to return to each district
13 taxpayer the taxpayer's pro rata share of all unused
14 tax money.

15 (m) A taxpayer may request that the taxpayer's
16 share of surplus tax money be credited to the
17 taxpayer's county taxes. If a taxpayer requests the
18 credit, the board of directors shall direct the
19 secretary to transmit the money to the county tax
20 assessor-collector.

21 Revised Law

22 Sec. 1081.307. REPORT; DISSOLUTION ORDER. (a) After the
23 district has paid all district debts and has disposed of all
24 district money and other assets as prescribed by this subchapter,
25 the board shall file a written report with the Commissioners Court
26 of Montague County summarizing the board's actions in dissolving
27 the district.

28 (b) Not later than the 10th day after the date the
29 Commissioners Court of Montague County receives the report and
30 determines that the requirements of this subchapter have been
31 fulfilled, the commissioners court shall enter an order dissolving
32 the district and releasing the board from any further duty or
33 obligation. (Acts 62nd Leg., R.S., Ch. 868, Secs. 19A(n), (o).)

34 Source Law

35 (n) After the district has paid all its debts
36 and has disposed of all its assets and money as
37 prescribed by this section, the board of directors
38 shall file a written report with the Commissioners
39 Court of Montague County setting forth a summary of the
40 board's actions in dissolving the district.

41 (o) Not later than the 10th day after the date it
42 receives the report and determines that the
43 requirements of this section have been fulfilled, the
44 Commissioners Court of Montague County shall enter an
45 order dissolving the district and releasing the board
46 of directors of the district from any further duty or
47 obligation.

1 Revisor's Note
2 (End of Chapter)

3 (1) Section 23, Chapter 868, Acts of the 62nd
4 Legislature, Regular Session, 1971, provides that the
5 act is severable. The revised law omits that provision
6 because it duplicates Section 311.032, Government Code
7 (Code Construction Act), which provides that a
8 provision of a statute is severable from each other
9 provision of the statute that can be given effect. The
10 omitted law reads:

11 Sec. 23. . . . If any provision of
12 this Act should be invalid, such fact shall
13 not affect the authorization for the
14 creation of the district or the validity of
15 any other provisions of this Act, and the
16 Legislature hereby declares that it would
17 have created the district and enacted the
18 valid provisions of this Act
19 notwithstanding the invalidity of any other
20 provision or provisions hereof.

21 (2) Section 24, Chapter 868, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that
23 public notice of enactment of the statute was provided
24 in a manner that satisfies the requirements of the
25 Texas Constitution. The revised law omits that
26 section as executed. The omitted law reads:

27 Sec. 24. Proof of publication of the
28 notice required in the enactment hereof
29 under the provisions of Article IX, Section
30 9 of the Texas Constitution, has been made
31 in the manner and form provided by law
32 pertaining to the enactment of local and
33 special laws, and such notice is hereby
34 found and declared proper and sufficient to
35 satisfy such requirement.

36 CHAPTER 1082. NOLAN COUNTY HOSPITAL DISTRICT

37 SUBCHAPTER A. GENERAL PROVISIONS

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39 Sec. 1082.002. AUTHORITY FOR OPERATION 643
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1 SUBCHAPTER A. GENERAL PROVISIONS

2 Revised Law

3 Sec. 1082.001. 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 Nolan County Hospital
8 District. (Acts 71st Leg., R.S., Ch. 8, Sec. 1.01.)

9 Source Law

10 Sec. 1.01. In this Act:

11 (1) "District" means the Nolan County
12 Hospital District.

13 (2) "Board" means the board of directors
14 of the district.

15 (3) "Director" means a member of the
16 board.

17 Revised Law

18 Sec. 1082.002. AUTHORITY FOR OPERATION. The Nolan County
19 Hospital District operates and is financed as provided by Section
20 9, Article IX, Texas Constitution, and by this chapter. (Acts 71st
21 Leg., R.S., Ch. 8, Sec. 1.02.)

22 Source Law

23 Sec. 1.02. The Nolan County Hospital District
24 may be created and established and, if created, must be
25 maintained, operated, and financed in the manner
26 provided by Article IX, Section 9, of the Texas
27 Constitution and by this Act.

28 Revisor's Note

29 Section 1.02, Chapter 8, Acts of the 71st
30 Legislature, Regular Session, 1989, provides that the
31 district "may be created and established and, if
32 created, must be maintained, operated, and financed"
33 in the manner provided by the Texas Constitution and
34 the act. The revised law omits references to the
35 establishment and creation of the district as
36 executed. The revised law omits "maintained" because,
37 in this context, the meaning of that term is included
38 in the meaning of "operated."

1 Revised Law

2 Sec. 1082.003. ESSENTIAL PUBLIC FUNCTION. The district is
3 a public entity performing an essential public function. (Acts
4 71st Leg., R.S., Ch. 8, Sec. 7.11 (part).)

5 Source Law

6 Sec. 7.11. Since the district created under
7 this Act is a public entity performing an essential
8 public function,

9 Revised Law

10 Sec. 1082.004. DISTRICT TERRITORY. The boundaries of the
11 district are coextensive with the boundaries of Nolan County,
12 Texas. (Acts 71st Leg., R.S., Ch. 8, Sec. 1.03.)

13 Source Law

14 Sec. 1.03. The boundaries of the district are
15 coterminous with the boundaries of Nolan County,
16 Texas.

17 Revised Law

18 Sec. 1082.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
19 OBLIGATION. The state may not become obligated for the support or
20 maintenance of the district. (Acts 71st Leg., R.S., Ch. 8, Sec.
21 9.01 (part).)

22 Source Law

23 Sec. 9.01. The state may not become obligated
24 for the support or maintenance of a hospital district
25 created under this Act,

26 Revised Law

27 Sec. 1082.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
28 The legislature may not make a direct appropriation for the
29 construction, maintenance, or improvement of a district facility.
30 (Acts 71st Leg., R.S., Ch. 8, Sec. 9.01 (part).)

31 Source Law

32 Sec. 9.01. . . . nor may the legislature make a
33 direct appropriation for the construction,
34 maintenance, or improvement of a facility of the
35 district.

36 Revisor's Note
37 (End of Subchapter)

38 Article 3, Chapter 8, Acts of the 71st
39 Legislature, Regular Session, 1989, provides

1 procedures for holding an election on the creation of
2 the district, the imposition of an ad valorem tax, and
3 the transfer to the district of certain property and
4 obligations of a prior hospital board. Because the
5 election creating the district has been held, the
6 revised law omits the relevant law as executed. The
7 omitted law reads:

8 Sec. 3.01. The district may be
9 created and a tax may be authorized only if
10 the creation and the tax are approved by a
11 majority of the qualified voters of the
12 territory of the proposed district voting
13 at an election called and held for that
14 purpose.

15 Sec. 3.02. (a) A majority of the
16 temporary directors of the district may
17 order a creation election to be held.

18 (b) On presentation of a petition for
19 a creation election signed by at least 20 of
20 the registered voters of the territory of
21 the proposed district, according to the
22 most recent official lists of registered
23 voters, the temporary directors shall order
24 an election to be held. The election shall
25 be called not later than the 60th day after
26 the date the petition is presented to the
27 board of temporary directors of the
28 district.

29 Sec. 3.03. The order calling the
30 election must state:

31 (1) the nature of the election,
32 including the proposition that is to appear
33 on the ballot;

34 (2) the date of the election;

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

37 (4) the location of the polling
38 places.

39 Sec. 3.04. The temporary directors
40 shall give notice of the election by
41 publishing a substantial copy of the
42 election order in a newspaper with general
43 circulation in the proposed district once a
44 week for two consecutive weeks. The first
45 publication must appear not later than the
46 14th day before the date set for the
47 election.

48 Sec. 3.05. (a) The election shall be
49 held not less than 30 days nor more than 60
50 days after the date on which the election is
51 ordered.

52 (b) Subsection (a), Section 41.001,
53 Election Code, does not apply to an election
54 ordered under this article.

55 Sec. 3.06. The ballot for the
56 creation election shall be printed to
57 permit voting for or against the
58 proposition: "The creation of the Nolan
59 County Hospital District and the levy of
60 annual taxes for hospital purposes at a rate
61 not to exceed 75 cents on each \$100

1 valuation of all taxable property in the
2 district, and the transfer to the Nolan
3 County Hospital District of the existing
4 hospital, land, buildings, improvements,
5 and equipment of the Nolan County--City of
6 Sweetwater, Texas Hospital Board and the
7 assumption of the outstanding indebtedness
8 of the Nolan County--City of Sweetwater,
9 Texas Hospital Board including more
10 particularly the outstanding Nolan
11 County--City of Sweetwater, Texas Hospital
12 Board First Mortgage Revenue Bonds, Series
13 1975."

14 Sec. 3.07. (a) The temporary
15 directors of the district shall meet and
16 canvass the returns of the election.

17 (b) If the temporary directors find
18 that the election results are favorable to
19 the proposition to create the district,
20 they shall issue an order declaring the
21 district created.

22 (c) If the temporary directors find
23 that the election results are not favorable
24 to the proposition to create the district,
25 another creation election may not be held
26 within 12 months after the date of the
27 election at which voters disapproved the
28 proposition.

29 Sec. 3.08. If the creation of the
30 district is not approved at an election held
31 within 60 months after the effective date of
32 this Act, this Act expires.

33 [Sections 1082.007-1082.050 reserved for expansion]

34 SUBCHAPTER B. DISTRICT ADMINISTRATION

35 Revised Law

36 Sec. 1082.051. BOARD ELECTION; TERMS. (a) The district is
37 governed by a board of not fewer than seven or more than nine
38 directors, as determined by the board.

39 (b) As determined by the board, the directors are elected
40 from:

- 41 (1) the district at large;
42 (2) single-member districts; or
43 (3) any combination of single-member districts and
44 at-large positions.

45 (c) At an election for directors in which at least two
46 directors are to be elected at large, the appropriate number of
47 candidates receiving the highest number of votes are elected. An
48 election for at-large directors may not be by place or numbered
49 post.

50 (d) Unless four-year terms are established under Section

1 285.081, Health and Safety Code:

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

3 (2) an election shall be held each year to elect the
4 appropriate number of directors. (Acts 71st Leg., R.S., Ch. 8,
5 Secs. 4.01(a), 4.03(a) (part), (b), (d) (part).)

6 Source Law

7 Sec. 4.01. (a) The district is governed by a
8 board of not fewer than seven nor more than nine
9 directors, as determined by the temporary board of
10 directors or its successors.

11 Sec. 4.03. (a) The directors shall be elected
12 from single-member districts or at large or a
13 combination thereof, as determined by the temporary
14 board of directors or its successors. The temporary
15 directors shall assign numbers to the single-member
16 districts. . . .

17 (b) At the initial election of directors and
18 thereafter, the candidate receiving the highest number
19 of votes from a single-member district shall be a
20 director for that district, and, in regard to the
21 at-large positions, the candidate or candidates
22 receiving the highest number of votes from the
23 district or districts at large shall be declared
24 directors. Election shall not be by place or numbered
25 post for any at-large directors.

26 (d) . . . an election shall be held on the first
27 Saturday in May each year or on a uniform election date
28 as specified by the Election Code. At each election,
29 the appropriate number of successor directors shall be
30 elected for two-year terms.

31 Revisor's Note

32 (1) Sections 2.01, 2.02, and 4.01(b), Chapter 8,
33 Acts of the 71st Legislature, Regular Session, 1989,
34 provide for temporary directors to serve as directors
35 of the district until elected directors take office
36 and provide for filling a vacancy in the office of
37 temporary director. The revised law omits the
38 provisions as executed. The omitted law reads:

39 Sec. 2.01. On the effective date of
40 this Act, the following persons become
41 temporary directors of the district:

- 42 (1) Pam Rhodes;
- 43 (2) Ronnie Williams;
- 44 (3) Ken Palmer;
- 45 (4) Cliff Etheredge;
- 46 (5) D. J. Guest;
- 47 (6) Kitty Owens; and
- 48 (7) Michael Ratliff.

49 Sec. 2.02. The directors remaining
50 after a vacancy in the office of temporary
51 director shall fill the vacancy by

1 appointment by a majority vote.

2 [Sec. 4.01]

3 (b) From the time the creation of the
4 district is approved until the elected
5 directors take office, the temporary
6 directors serve as directors of the
7 district.

8 (2) Sections 4.01(a) and 4.03(a), Chapter 8,
9 Acts of the 71st Legislature, Regular Session, 1989,
10 refer to "the temporary board of directors or its
11 successors." The revised law omits the references to
12 the "temporary board" because the terms of the
13 temporary board have expired. The revised law
14 substitutes "board" for "its successors" because each
15 subsequent board of directors is a successor to the
16 temporary board.

17 (3) Section 4.03(a), Chapter 8, Acts of the 71st
18 Legislature, Regular Session, 1989, requires the
19 temporary board to "assign numbers to the
20 single-member districts." The revised law omits the
21 quoted language as executed.

22 (4) Section 4.03(a), Chapter 8, Acts of the 71st
23 Legislature, Regular Session, 1989, provides that the
24 manner of determining single-member districts and
25 selecting directors must be consistent with the
26 requirements of state and federal law, including
27 specifically cited provisions of law. The revised law
28 omits the provision because, to the extent that state
29 and federal law imposes requirements applicable to the
30 manner of determining single-member districts and
31 selecting directors, the state and federal laws are
32 sufficient authority for those requirements and it is
33 unnecessary to reference the requirements in this
34 chapter. The omitted law reads:

35 (a) . . . The manner of determining
36 the districts and selecting directors shall
37 be consistent with all requirements of
38 state and federal law, including the Voting
39 Rights Act Amendments of 1982 (42 U.S.C.
40 Sec. 1971 et seq.) and the Fourteenth and

1 Fifteenth Amendments to the United States
2 Constitution.

3 (5) Section 4.03(b), Chapter 8, Acts of the 71st
4 Legislature, Regular Session, 1989, refers to "the
5 initial election of directors." The revised law omits
6 the quoted language as executed because the initial
7 election has occurred.

8 (6) Section 4.03(b), Chapter 8, Acts of the 71st
9 Legislature, Regular Session, 1989, provides that "the
10 candidate receiving the highest number of votes from a
11 single-member district shall be a director for that
12 district." To the extent that the quoted language
13 relates to the initial election, the revised law omits
14 the quoted language as executed. To the extent that
15 the quoted language relates to subsequent elections,
16 the revised law omits the quoted language because it
17 duplicates Section 2.001, Election Code, which
18 provides that, except as otherwise provided by law, to
19 be elected to a public office a candidate must receive
20 more votes than any other candidate for office.

21 (7) Section 4.03(c), Chapter 8, Acts of the 71st
22 Legislature, Regular Session, 1989, prescribes the
23 terms of the initial directors. The revised law omits
24 the provision as executed. The omitted law reads:

25 (c) At the initial election of
26 directors, the candidates elected from
27 even-numbered single-member districts
28 shall serve for a term of two years, and the
29 candidates elected from the odd-numbered
30 single-member districts shall serve for a
31 term of one year. At this election, the
32 candidates elected from the district or
33 districts at large shall serve for a term of
34 two years.

35 (8) Section 4.03(d), Chapter 8, Acts of the 71st
36 Legislature, Regular Session, 1989, requires board
37 elections on the "first Saturday in May" or on "a
38 uniform election date as specified by the Election
39 Code." The revised law omits the quoted language as
40 unnecessary. At the time that Section 4.03(d) was

1 enacted, the first Saturday in May was a uniform
2 election date under Section 41.001, Election Code, for
3 all political subdivisions. Consequently, the
4 reference to that date did not add to the authority
5 granted by the section to conduct board elections on
6 any uniform election date under Section 41.001,
7 Election Code, and the substantive effect of Section
8 4.03(d) was to require that board elections be
9 conducted on any uniform election date. It is
10 unnecessary to state that requirement in this chapter
11 because Section 41.001, Election Code, applies by its
12 own terms to the district's board elections and has the
13 effect of requiring that the elections be conducted on
14 a uniform election date.

15 (9) Section 4.03(d), Chapter 8, Acts of the 71st
16 Legislature, Regular Session, 1989, provides that
17 directors serve two-year terms. Section 285.081,
18 Health and Safety Code, applicable to this district,
19 provides a mechanism by which the governing board of a
20 hospital district, on its own motion, may order that
21 members are to be elected in even-numbered years to
22 serve staggered four-year terms. The revised law is
23 drafted accordingly and adds a reference to Section
24 285.081, Health and Safety Code, for the convenience
25 of the reader.

26 Revised Law

27 Sec. 1082.052. NOTICE OF ELECTION. Not later than the 35th
28 day before the date of an election of directors, notice of the
29 election shall be published one time in a newspaper with general
30 circulation in the district. (Acts 71st Leg., R.S., Ch. 8, Sec.
31 4.04 (part).)

32 Source Law

33 Sec. 4.04. Not later than the 35th day before
34 the date of an election of directors, notice of the
35 election shall be published one time in a newspaper
36 with general circulation in the district. . . .

1 Revisor's Note

2 Section 4.04, Chapter 8, Acts of the 71st
3 Legislature, Regular Session, 1989, provides that the
4 notice of an election of directors shall comply with
5 all requirements of the Election Code. The revised law
6 omits the provision because the Election Code applies
7 to the election on its own terms. Chapter 4, Election
8 Code, which imposes requirements regarding election
9 notices, applies under Section 4.001 of that chapter
10 to a notice of each general and special election,
11 including a notice of an election of directors. The
12 omitted law reads:

13 Sec. 4.04. . . . The notice shall
14 comply with all requirements of the
15 Election Code.

16 Revised Law

17 Sec. 1082.053. BALLOT PETITION. A person seeking 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:

21 (1) be signed by at least 10 registered voters of the
22 district, as determined by the most recent official list of
23 registered voters, who:

24 (A) reside in the appropriate single-member
25 district, if the person seeks to become a candidate to represent a
26 single-member district; or

27 (B) reside anywhere in the district, if the
28 person seeks to become a candidate to represent the district at
29 large;

30 (2) be filed not later than the 31st day before the
31 date of the election; and

32 (3) specify the single-member district the person
33 seeks to represent or specify that the candidate seeks to represent
34 the district at large. (Acts 71st Leg., R.S., Ch. 8, Sec. 4.05.)

1 Source Law

2 Sec. 4.05. (a) A person who wishes to have his
3 name printed on the ballot as a candidate for director
4 must file with the secretary of the board of directors
5 a petition signed by at least 10 registered voters of
6 the district asking that his name be placed on the
7 ballot. If the person is a candidate for a
8 single-member district, the signatures must be of 10
9 registered voters who reside in that district. If the
10 person is a candidate for an at-large position, the 10
11 registered voters may reside anywhere within the
12 hospital district. The determination of whether a
13 person is a registered voter of the district shall be
14 based on the most recent official lists of registered
15 voters.

16 (b) The petition must be filed with the
17 secretary not later than the 31st day before the date
18 of the election.

19 (c) The petition must specify the single-member
20 district the candidate wishes to represent or specify
21 that the candidate wishes to represent the district at
22 large.

23 Revised Law

24 Sec. 1082.054. 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 resident of the district; and

28 (2) a qualified voter.

29 (b) A person who is elected from a single-member district or
30 who is appointed to fill a vacancy for a single-member district must
31 reside in that single-member district.

32 (c) A district employee may not serve as a director. (Acts
33 71st Leg., R.S., Ch. 8, Secs. 4.03 (part), 4.06.)

34 Source Law

35 Sec. 4.03. (a) . . . A candidate for a
36 single-member district must reside within that
37 district. . . .

38 Sec. 4.06. (a) To be eligible to be a candidate
39 for or to serve as a director, a person must be:

40 (1) a resident of the district; and

41 (2) a qualified voter.

42 (b) In addition to the qualifications required
43 by Subsection (a) of this section, a person who is
44 elected from a single-member district or who is
45 appointed to fill a vacancy for a single-member
46 district must be a resident of that district.

47 (c) An employee of the district may not serve as
48 a director.

49 Revised Law

50 Sec. 1082.055. BOARD VACANCY. If a vacancy occurs in the

1 office of director, the remaining directors shall appoint a
2 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 8, Sec.
3 4.07.)

4 Source Law

5 Sec. 4.07. A vacancy in the office of director
6 shall be filled for the unexpired term by appointment
7 by the remaining directors.

8 Revised Law

9 Sec. 1082.056. OFFICERS. (a) The board shall elect a
10 president and a vice president from among its members.

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

13 (c) Each officer of the board serves for a term of one year.

14 (d) The board shall fill a vacancy in a board office for the
15 unexpired term. (Acts 71st Leg., R.S., Ch. 8, Secs. 4.08, 4.09.)

16 Source Law

17 Sec. 4.08. The board shall elect from among its
18 members a president and a vice-president. The board
19 shall also appoint a secretary. The secretary need not
20 be a director.

21 Sec. 4.09. (a) Each officer of the board serves
22 for a term of one year.

23 (b) The board shall fill a vacancy in a board
24 office for the unexpired term.

25 Revised Law

26 Sec. 1082.057. COMPENSATION; EXPENSES. A director or
27 officer serves without compensation but may be reimbursed for
28 actual expenses incurred in the performance of official duties.
29 The expenses must be:

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

31 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
32 8, Sec. 4.10.)

33 Source Law

34 Sec. 4.10. Directors and officers serve without
35 compensation but may be reimbursed for actual expenses
36 incurred in the performance of official duties. Those
37 expenses must be reported in the district's minute book
38 or other district records and must be approved by the
39 board.

40 Revisor's Note

41 Section 4.10, Chapter 8, Acts of the 71st

1 Legislature, Regular Session, 1989, requires that
2 district expenses be reported in the "district's
3 minute book or other district records." The revised
4 law omits the reference to the "district's minute book"
5 because the minute book is a district record.

6 Revised Law

7 Sec. 1082.058. VOTING REQUIREMENT. A concurrence of a
8 majority of the directors voting is necessary in any matter
9 relating to district business. (Acts 71st Leg., R.S., Ch. 8, Sec.
10 4.11.)

11 Source Law

12 Sec. 4.11. A concurrence of a majority of the
13 members of the board voting is necessary in matters
14 relating to the business of the district.

15 Revised Law

16 Sec. 1082.059. 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 an amount determined by the
22 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. 8, Secs. 4.12(a) (part), (b) (part), (c)
28 (part), (d).)

29 Source Law

30 Sec. 4.12. (a) The board may appoint qualified
31 persons as administrator, . . . for the district.

32 (b) The administrator, . . . serve at the will
33 of the board.

34 (c) The administrator, . . . are entitled to
35 compensation as determined by the board.

36 (d) Before assuming his duties, the
37 administrator shall execute a bond payable to the
38 district in the amount of not less than \$5,000 as
39 determined by the board, conditioned on the faithful
40 performance of his duties under this Act. The board may
41 pay for the bond with district funds.

1 Revised Law

2 Sec. 1082.060. 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 general affairs of the district. (Acts
8 71st Leg., R.S., Ch. 8, Sec. 4.15.)

9 Source Law

10 Sec. 4.15. The administrator shall supervise
11 the work and activities of the district and shall
12 direct the general affairs of the district, subject to
13 the limitations prescribed by the board.

14 Revised Law

15 Sec. 1082.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

16 (a) The board may appoint qualified persons as:

17 (1) the assistant district administrator; and

18 (2) the attorney for the district.

19 (b) The assistant district administrator and the attorney
20 for the district serve at the will of the board and are entitled to
21 the compensation determined by the board. (Acts 71st Leg., R.S.,
22 Ch. 8, Secs. 4.12(a) (part), (b) (part), (c) (part).)

23 Source Law

24 Sec. 4.12. (a) The board may appoint qualified
25 persons as . . . assistant administrator, and attorney
26 for the district.

27 (b) The . . . assistant administrator, and
28 attorney serve at the will of the board.

29 (c) The . . . assistant administrator, and
30 attorney are entitled to compensation as determined by
31 the board.

32 Revised Law

33 Sec. 1082.062. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
34 board may appoint to the staff any doctors the board considers
35 necessary for the efficient operation of the district and may make
36 temporary appointments as considered necessary.

37 (b) The district may employ technicians, nurses, fiscal
38 agents, accountants, architects, additional attorneys, and other
39 necessary employees.

1 (c) The board may delegate to the district administrator the
2 authority to employ persons for the district. (Acts 71st Leg.,
3 R.S., Ch. 8, Secs. 4.13, 4.14.)

4 Source Law

5 Sec. 4.13. The board may appoint to the staff
6 any doctors it considers necessary for the efficient
7 operation of the district and may make temporary
8 appointments as considered necessary.

9 Sec. 4.14. (a) The district may employ
10 technicians, nurses, fiscal agents, accountants,
11 architects, additional attorneys, and other necessary
12 employees.

13 (b) The board may delegate to the administrator
14 the authority to employ persons for the district.

15 Revised Law

16 Sec. 1082.063. 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:

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 8, Sec. 4.16.)

26 Source Law

27 Sec. 4.16. The board may provide retirement
28 benefits for employees of the district by establishing
29 or administering a retirement program or by electing
30 to participate in the Texas County and District
31 Retirement System or in any other statewide retirement
32 system in which the district is eligible to
33 participate.

34 Revisor's Note
35 (End of Subchapter)

36 Sections 4.02 and 4.03(d), Chapter 8, Acts of the
37 71st Legislature, Regular Session, 1989, provide for
38 and refer to the election of initial directors of the
39 district. The revised law omits the provisions as
40 executed. The omitted law reads:

41 Sec. 4.02. Directors shall be
42 elected at an election to be held at the
43 earliest possible time following the
44 creation of the district.

1 [Sec. 4.03]

2 (d) After the initial election of
3 directors,

4 [Sections 1082.064-1082.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 Revised Law

7 Sec. 1082.101. 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 71st Leg., R.S., Ch. 8, Sec.
12 5.02 (part).)

13 Source Law

14 Sec. 5.02. On creation of the district, the
15 district:

16 (1) assumes full responsibility for
17 operating hospital facilities and for furnishing
18 medical and hospital care for the district's needy
19 inhabitants;

20

21 Revisor's Note

22 Section 5.02, Chapter 8, Acts of the 71st
23 Legislature, Regular Session, 1989, provides that
24 "[o]n creation of the district," the district
25 "assumes" certain responsibilities. The revised law
26 omits "[o]n creation of the district," as executed.
27 The revised law substitutes "has" for "assumes"
28 because the obligation to assume the responsibility is
29 executed.

30 Revised Law

31 Sec. 1082.102. RESTRICTION ON GOVERNMENTAL ENTITY TAXATION
32 AND DEBT. Nolan County, the City of Sweetwater, or any other
33 governmental entity in which the district is located may not impose
34 a tax or issue bonds or other obligations for hospital purposes or
35 to provide medical care for district residents. (Acts 71st Leg.,
36 R.S., Ch. 8, Sec. 5.01(c).)

37 Source Law

38 (c) On and after creation of the district, Nolan
39 County and the City of Sweetwater and other

1 governmental entities in which the district is located
2 may not levy taxes or issue bonds or other obligations
3 for hospital purposes or for providing medical care
4 for the residents of the district.

5 Revisor's Note

6 Section 5.01(c), Chapter 8, Acts of the 71st
7 Legislature, Regular Session, 1989, provides that
8 "[o]n or after creation of the district," Nolan
9 County, the City of Sweetwater, or any other
10 governmental entity in which the district is located
11 may not levy taxes or issue bonds. The revised law
12 omits the quoted language as executed. In addition,
13 throughout this chapter, the revised law substitutes
14 "impose" for "levy" because, in this context, the
15 terms are synonymous and the former is more commonly
16 used.

17 Revised Law

18 Sec. 1082.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
19 The board shall manage, control, and administer the hospital system
20 and the district's money and resources. (Acts 71st Leg., R.S., Ch.
21 8, Sec. 5.03.)

22 Source Law

23 Sec. 5.03. The board shall manage, control, and
24 administer the hospital system and the funds and
25 resources of the district.

26 Revised Law

27 Sec. 1082.104. RULES. The board may adopt rules governing:
28 (1) the operation of the hospital and hospital system;
29 and
30 (2) the duties, functions, and responsibilities of
31 district staff and employees. (Acts 71st Leg., R.S., Ch. 8, Sec.
32 5.04.)

33 Source Law

34 Sec. 5.04. The board may adopt rules governing
35 the operation of the hospital and hospital system and
36 the duties, functions, and responsibilities of
37 district staff and employees.

38 Revised Law

39 Sec. 1082.105. PURCHASING AND ACCOUNTING PROCEDURES. The

1 board may prescribe:

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

4 (2) accounting and control procedures for the
5 district. (Acts 71st Leg., R.S., Ch. 8, Sec. 5.05.)

6 Source Law

7 Sec. 5.05. (a) The board may prescribe the
8 method of making purchases and expenditures by and for
9 the district.

10 (b) The board may prescribe accounting and
11 control procedures for the district.

12 Revised Law

13 Sec. 1082.106. DISTRICT PROPERTY, FACILITIES, AND
14 EQUIPMENT. (a) The board shall determine:

15 (1) the type, number, and location of buildings
16 required to maintain an adequate hospital system; and

17 (2) the type of equipment necessary for hospital care.

18 (b) The board may:

19 (1) acquire property, including facilities and
20 equipment, for the district for use in the hospital system; and

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

23 (c) The board may lease hospital facilities for the
24 district.

25 (d) The board may sell or otherwise dispose of property,
26 including facilities or equipment, for the district. (Acts 71st
27 Leg., R.S., Ch. 8, Sec. 5.06.)

28 Source Law

29 Sec. 5.06. (a) The board shall determine the
30 type, number, and location of buildings required to
31 establish and maintain an adequate hospital system and
32 the type of equipment necessary for hospital care.

33 (b) The board may acquire property, facilities,
34 and equipment for the district for use in the hospital
35 system and may mortgage or pledge the property,
36 facilities, or equipment acquired as security for the
37 payment of the purchase price.

38 (c) The board may lease hospital facilities on
39 behalf of the district.

40 (d) The board may sell or otherwise dispose of
41 property, facilities, or equipment on behalf of the
42 district.

1 Revisor's Note

2 Section 5.06(a), Chapter 8, Acts of the 71st
3 Legislature, Regular Session, 1989, requires the board
4 to determine the buildings required to "establish and
5 maintain" an adequate hospital system. The revised
6 law omits the reference to establishing the hospital
7 system as executed.

8 Revised Law

9 Sec. 1082.107. 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 petition for review. (Acts 71st Leg., R.S., Ch. 8,
26 Sec. 5.09.)

27 Source Law

28 Sec. 5.09. (a) The district may exercise the
29 power of eminent domain to acquire by condemnation a
30 fee simple or other interest in property located in the
31 territory of the district if the property interest is
32 necessary to the exercise of the rights or authority
33 conferred by this Act.

34 (b) The district must exercise the power of
35 eminent domain in the manner provided by Chapter 21,
36 Property Code, but the district is not required to
37 deposit in the trial court money or a bond as provided
38 by Subsection (a), Section 21.021, Property Code.

39 (c) In a condemnation proceeding brought by the
40 district, the district is not required to pay in
41 advance or give bond or other security for costs in the

1 trial court, to give bond for the issuance of a
2 temporary restraining order or a temporary injunction,
3 or to give bond for costs or supersedeas on an appeal
4 or writ of error.

5 Revisor's Note

6 Section 5.09(c), Chapter 8, Acts of the 71st
7 Legislature, Regular Session, 1989, refers to a "writ
8 of error." The revised law substitutes "petition for
9 review" for "writ of error" because, effective
10 September 1, 1997, the Texas Supreme Court replaced
11 the writ of error procedure with the petition for
12 review procedure. See Rule 53.1, Rules of Appellate
13 Procedure.

14 Revised Law

15 Sec. 1082.108. 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, 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 facility.
25 (Acts 71st Leg., R.S., Ch. 8, Sec. 5.10.)

26 Source Law

27 Sec. 5.10. In exercising the power of eminent
28 domain, if the board requires relocating, raising,
29 lowering, rerouting, changing the grade, or altering
30 the construction of any railroad, highway, pipeline,
31 or electric transmission and electric distribution,
32 telegraph, or telephone lines, conduits, poles, or
33 facilities, the district must bear the actual cost of
34 relocating, raising, lowering, rerouting, changing
35 the grade, or altering the construction to provide
36 comparable replacement without enhancement of
37 facilities, after deducting the net salvage value
38 derived from the old facility.

39 Revised Law

40 Sec. 1082.109. GIFTS AND ENDOWMENTS. The board may accept
41 for the district a gift or endowment to be held in trust for any
42 purpose and under any direction, limitation, or other provision

1 prescribed in writing by the donor that is consistent with the
2 proper management of the district. (Acts 71st Leg., R.S., Ch. 8,
3 Sec. 5.14.)

4 Source Law

5 Sec. 5.14. On behalf of the district, the board
6 may accept gifts and endowments to be held in trust for
7 any purpose and under any direction, limitation, or
8 provision prescribed in writing by the donor that is
9 consistent with the proper management of the district.

10 Revised Law

11 Sec. 1082.110. CONSTRUCTION CONTRACTS. (a) The board may
12 enter into construction contracts for the district.

13 (b) The board may enter into a construction contract that
14 involves the expenditure of more than the amount provided by
15 Section 271.024, Local Government Code, only after competitive
16 bidding as provided by Subchapter B, Chapter 271, Local Government
17 Code. (Acts 71st Leg., R.S., Ch. 8, Sec. 5.07(a).)

18 Source Law

19 Sec. 5.07. (a) The board may enter into
20 construction contracts on behalf of the district, but
21 the board may enter into construction contracts that
22 involve spending more than \$10,000 only after
23 competitive bidding as provided by Subchapter B,
24 Chapter 271, Local Government Code.

25 Revisor's Note

26 (1) Section 5.07(a), Chapter 8, Acts of the 71st
27 Legislature, Regular Session, 1989, provides that the
28 district may enter into construction contracts that
29 involve spending more than \$10,000 only after
30 competitive bidding as provided by Subchapter B,
31 Chapter 271, Local Government Code. The revised law
32 omits the reference to the \$10,000 amount as
33 superseded by Section 5, Chapter 115, Acts of the 77th
34 Legislature, Regular Session, 2001, which amended
35 Section 271.024, Local Government Code, to increase
36 the contract amount for which competitive bidding is
37 required to \$25,000.

38 (2) Section 5.07(b), Chapter 8, Acts of the 71st
39 Legislature, Regular Session, 1989, provides that

1 Article 5160, Revised Statutes, applies to the
2 district's construction contracts in relation to
3 performance and payment bonds. The revised law omits
4 the reference because Article 5160 was codified as
5 Chapter 2253, Government Code, and that chapter
6 applies to hospital districts on its own terms. The
7 omitted law reads:

8 (b) Article 5160, Revised Statutes,
9 as it relates to performance and payment
10 bonds, applies to the district's
11 construction contracts.

12 Revised Law

13 Sec. 1082.111. OPERATING AND MANAGEMENT CONTRACTS. The
14 board may enter into an operating or management contract relating
15 to a hospital facility for the district. (Acts 71st Leg., R.S., Ch.
16 8, Sec. 5.08.)

17 Source Law

18 Sec. 5.08. The board may enter into operating or
19 management contracts relating to hospital facilities
20 on behalf of the district.

21 Revised Law

22 Sec. 1082.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
23 SERVICES. The board may contract with a political subdivision of
24 this state or with a state or federal agency for the district to:
25 (1) furnish a mobile emergency medical service; or
26 (2) provide for the investigatory or welfare needs of
27 district inhabitants. (Acts 71st Leg., R.S., Ch. 8, Sec. 5.13.)

28 Source Law

29 Sec. 5.13. The board may contract with a city,
30 county, special district, or other political
31 subdivision of the state or with a state or federal
32 agency for the district to furnish a mobile emergency
33 medical service or to provide for the investigatory or
34 welfare needs of inhabitants of the district.

35 Revisor's Note

36 Section 5.13, Chapter 8, Acts of the 71st
37 Legislature, Regular Session, 1989, refers to "a city,
38 county, special district, or other political
39 subdivision of the state." Throughout this chapter,

1 the revised law omits references to "city," "county,"
2 and "special district" in this context because each of
3 those terms is included in the meaning of "political
4 subdivision of the state."

5 Revised Law

6 Sec. 1082.113. 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 financial circumstances of:

10 (1) the patient; or

11 (2) a relative of the patient who is legally
12 responsible for the patient's support.

13 (b) The district without charge shall provide to a patient
14 who resides in the district the care and treatment that the patient
15 or a relative of the patient who is legally responsible for the
16 patient's support cannot pay.

17 (c) On determining that the patient or a relative legally
18 responsible for the patient's support can pay for all or part of the
19 care and treatment provided by the district, the district
20 administrator shall report that determination to the board, and the
21 board shall issue an order directing the patient or the relative to
22 pay the district a specified amount each week. The amount must be
23 based on the individual's ability to pay.

24 (d) The district administrator may collect money owed to the
25 district from the estate of the patient or from that of a relative
26 legally responsible for the patient's support in the manner
27 provided by law for collection of expenses of the last illness of a
28 deceased person.

29 (e) If there is a dispute relating to an individual's
30 ability to pay or if the district administrator has any doubt
31 concerning an individual's ability to pay, the board shall:

32 (1) call witnesses;

33 (2) hear and resolve the question; and

34 (3) issue a final order.

1 (f) A final order of the board may be appealed to a district
2 court in Nolan County. The substantial evidence rule applies to the
3 appeal. (Acts 71st Leg., R.S., Ch. 8, Secs. 5.11(a), (c), (d), (e),
4 (f).)

5 Source Law

6 Sec. 5.11. (a) The district shall without
7 charge supply to a patient residing in the district the
8 care and treatment that the patient or a relative of
9 the patient who is legally responsible for the
10 patient's support cannot pay.

11 (c) The administrator of the district may have
12 an inquiry made into the financial circumstances of
13 any patient residing in the district and admitted to a
14 district facility and into the financial circumstances
15 of a relative of the patient who is legally responsible
16 for the patient's support.

17 (d) On finding that the patient or a relative of
18 the patient legally responsible for the patient's
19 support can pay for all or any part of the care and
20 treatment provided by the district, the administrator
21 shall report that finding to the board, and the board
22 shall issue an order directing the patient or the
23 relative to pay the district each week a specified
24 amount that the individual is able to pay.

25 (e) The administrator may collect money owed to
26 the district from the estate of the patient or from
27 that of a relative who was legally responsible for the
28 patient's support in the manner provided by law for
29 collection of expenses in the last illness of a
30 deceased person.

31 (f) If there is a dispute relating to an
32 individual's ability to pay or if the administrator has
33 any doubt concerning an individual's ability to pay,
34 the board shall call witnesses, hear and resolve the
35 question, and issue a final order. An appeal from a
36 final order of the board must be made to a district
37 court in the county in which the district is located
38 and the substantial evidence rule applies.

39 Revisor's Note

40 (1) Section 5.11(b), Chapter 8, Acts of the 71st
41 Legislature, Regular Session, 1989, requires the
42 district to adopt an application procedure for
43 assistance eligibility. The revised law omits the
44 provision because it duplicates provisions in Sections
45 61.053(a) and (b), Health and Safety Code, which apply
46 to the district and detail the application procedure.
47 The omitted law reads:

48 (b) Not later than the beginning of
49 each operating year, the district shall
50 adopt an application procedure to determine
51 eligibility for assistance, as provided by
52 Section 10.03, Indigent Health Care and

1 Treatment Act (Article 4438f, Vernon's
2 Texas Civil Statutes).

3 (2) Section 5.11(f), Chapter 8, Acts of the 71st
4 Legislature, Regular Session, 1989, authorizes the
5 appeal of a final order to be made to the district
6 court "in the county in which the district is located."
7 The revised law substitutes "Nolan County" for the
8 quoted language because Nolan County is the county in
9 which the district is located.

10 Revised Law

11 Sec. 1082.114. REIMBURSEMENT FOR SERVICES. (a) The board
12 shall require a county, municipality, or public hospital located
13 outside the district to reimburse the district for the district's
14 care and treatment of a sick or injured person of that county,
15 municipality, or public hospital as provided by Chapter 61, Health
16 and Safety Code.

17 (b) The board shall require the sheriff of Nolan County or
18 the police chief of the City of Sweetwater, as appropriate, to
19 reimburse the district for the district's care and treatment of a
20 person who is confined in a jail facility of Nolan County or the
21 City of Sweetwater, as appropriate, and is not a district resident.

22 (c) The board may contract with the state or federal
23 government for that government to reimburse the district for
24 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
25 8, Sec. 5.12.)

26 Source Law

27 Sec. 5.12. (a) The board shall require
28 reimbursement from a county, city, or public hospital
29 located outside the boundaries of the district for the
30 district's care and treatment of a sick, diseased, or
31 injured person of that county, city, or public
32 hospital as provided by the Indigent Health Care and
33 Treatment Act (Article 4438f, Vernon's Texas Civil
34 Statutes).

35 (b) The board shall require reimbursement from
36 the sheriff or police chief of Nolan County and the
37 City of Sweetwater for the district's care and
38 treatment of a person confined in a jail facility of
39 Nolan County and the City of Sweetwater who is not a
40 resident of the district.

41 (c) The board may contract with the state or
42 federal government for the state or federal government
43 to reimburse the district for treatment of a sick,
44 diseased, or injured person.

1 Revisor's Note

2 (1) Section 5.12(a), Chapter 8, Acts of the 71st
3 Legislature, Regular Session, 1989, refers to a
4 "city." The revised law substitutes "municipality"
5 for "city" because in context the terms are
6 equivalent, and "municipality" is the term used by the
7 Local Government Code.

8 (2) Sections 5.12(a) and (c), Chapter 8, Acts of
9 the 71st Legislature, Regular Session, 1989, refer to
10 a "sick, diseased, or injured person." The revised law
11 omits the references to "diseased" because it is
12 included in the meaning of "sick."

13 (3) Section 5.12(a), Chapter 8, Acts of the 71st
14 Legislature, Regular Session, 1989, refers to the
15 Indigent Health Care and Treatment Act (Article 4438f,
16 Vernon's Texas Civil Statutes). That statute was
17 codified in 1989 as Chapter 61, Health and Safety Code.
18 The revised law is drafted accordingly.

19 Revised Law

20 Sec. 1082.115. AUTHORITY TO SUE AND BE SUED. The board may
21 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
22 Ch. 8, Sec. 5.15.)

23 Source Law

24 Sec. 5.15. The board may sue and be sued on
25 behalf of the district.

26 [Sections 1082.116-1082.150 reserved for expansion]

27 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

28 Revised Law

29 Sec. 1082.151. BUDGET. (a) The district administrator
30 shall prepare a proposed annual budget for the district.

31 (b) The proposed budget must contain a complete financial
32 statement, including a statement of:

- 33 (1) the outstanding obligations of the district;
34 (2) the amount of cash on hand to the credit of each
35 district fund;

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

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

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

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

9 (7) the estimated tax rate to be required. (Acts 71st
10 Leg., R.S., Ch. 8, Sec. 6.04.)

11 Source Law

12 Sec. 6.04. (a) The administrator of the
13 district shall prepare a proposed annual budget for
14 the district.

15 (b) The proposed budget must contain a complete
16 financial statement, including a statement of:

17 (1) the outstanding obligations of the
18 district;

19 (2) the amount of cash on hand to the
20 credit of each fund of the district;

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

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

25 (5) the amount of the balances expected at
26 the end of the year in which the budget is being
27 prepared;

28 (6) the estimated amount of revenues and
29 balances available to cover the proposed budget; and

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

32 Revised Law

33 Sec. 1082.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
34 The board shall hold a public hearing on the proposed annual budget.

35 (b) The board shall publish notice of the hearing in a
36 newspaper of general circulation in the district not later than the
37 10th day before the date of the hearing.

38 (c) Any district resident is entitled to be present and
39 participate at the hearing.

40 (d) At the conclusion of the hearing, the board shall adopt
41 a budget by acting on the budget proposed by the district
42 administrator. The board may make any changes in the proposed
43 budget that the board judges to be in the interests of the
44 taxpayers.

1 (e) The budget is effective only after adoption by the
2 board. (Acts 71st Leg., R.S., Ch. 8, Sec. 6.05.)

3 Source Law

4 Sec. 6.05. (a) The board shall hold a public
5 hearing on the proposed annual budget.

6 (b) The board shall publish notice of the
7 hearing in a newspaper of general circulation in the
8 district not later than the 10th day before the date of
9 the hearing.

10 (c) Any resident of the district is entitled to
11 be present and participate at the hearing.

12 (d) At the conclusion of the hearing, the board
13 shall adopt a budget by acting on the budget proposed
14 by the administrator. The board may make any changes in
15 the proposed budget that in its judgment the interests
16 of the taxpayers demand.

17 (e) The budget is effective only after adoption
18 by the board.

19 Revised Law

20 Sec. 1082.153. AMENDMENTS TO BUDGET. After the annual
21 budget is adopted, the budget may be amended on the board's
22 approval. (Acts 71st Leg., R.S., Ch. 8, Sec. 6.06.)

23 Source Law

24 Sec. 6.06. After adoption, the annual budget
25 may be amended on the board's approval.

26 Revised Law

27 Sec. 1082.154. RESTRICTION ON EXPENDITURES. Money may be
28 spent only for an expense included in the budget or an amendment to
29 the budget. (Acts 71st Leg., R.S., Ch. 8, Sec. 6.07.)

30 Source Law

31 Sec. 6.07. Money may not be spent for an expense
32 not included in the annual budget or an amendment to
33 it.

34 Revised Law

35 Sec. 1082.155. FISCAL YEAR. (a) The district operates
36 according to a fiscal year established by the board.

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

38 (1) during a period that revenue bonds of the district
39 are outstanding; or

40 (2) more than once in a 24-month period. (Acts 71st
41 Leg., R.S., Ch. 8, Sec. 6.01.)

42 Source Law

43 Sec. 6.01. (a) The district operates on the

1 fiscal year established by the board.

2 (b) The fiscal year may not be changed when
3 revenue bonds of the district are outstanding or more
4 than once in a 24-month period.

5 Revised Law

6 Sec. 1082.156. ANNUAL AUDIT. The board annually shall have
7 an audit made of the district's financial condition. (Acts 71st
8 Leg., R.S., Ch. 8, Sec. 6.02.)

9 Source Law

10 Sec. 6.02. Annually, the board shall have an
11 audit made of the financial condition of the district.

12 Revised Law

13 Sec. 1082.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
14 RECORDS. The annual audit and other district records are open to
15 inspection during regular business hours at the district's
16 principal office. (Acts 71st Leg., R.S., Ch. 8, Sec. 6.03.)

17 Source Law

18 Sec. 6.03. The annual audit and other district
19 records are open to inspection during regular business
20 hours at the principal office of the district.

21 Revised Law

22 Sec. 1082.158. FINANCIAL REPORT. As soon as practicable
23 after the close of the fiscal year, the district administrator
24 shall prepare for the board:

- 25 (1) a sworn statement of the amount of district money;
26 and
27 (2) an account of the disbursements of that money.
28 (Acts 71st Leg., R.S., Ch. 8, Sec. 6.08.)

29 Source Law

30 Sec. 6.08. As soon as practicable after the
31 close of the fiscal year, the administrator shall
32 prepare for the board a sworn statement of the amount
33 of money that belongs to the district and an account of
34 the disbursements of that money.

35 Revised Law

36 Sec. 1082.159. DEPOSITORY. (a) The board shall select at
37 least one bank to serve as a depository for district money.

38 (b) District money, other than money invested as provided by
39 Section 1082.160(b) and money transmitted to a bank of payment as a
40 trustee for bonds or obligations issued or assumed by the district,

1 shall be deposited as received with the depository bank and shall
2 remain on deposit. This subsection does not limit the power of the
3 board to place a portion of district money on time deposit or to
4 purchase certificates of deposit.

5 (c) 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 71st Leg., R.S., Ch. 8, Sec.
11 6.10.)

12 Source Law

13 Sec. 6.10. (a) The board shall name at least one
14 bank to serve as depository for district funds.

15 (b) District funds, other than those invested as
16 provided by Subsection (b) of Section 6.09 of this Act
17 and those transmitted to a bank of payment as a trustee
18 for bonds or obligations issued or assumed by the
19 district, shall be deposited as received with the
20 depository bank and must remain on deposit. This
21 subsection does not limit the power of the board to
22 place a portion of district funds on time deposit or to
23 purchase certificates of deposit.

24 (c) Before the district deposits funds in a bank
25 in an amount that exceeds the maximum amount secured by
26 the Federal Deposit Insurance Corporation, the bank
27 must execute a bond or other security in an amount
28 sufficient to secure from loss the district funds that
29 exceed the amount secured by the Federal Deposit
30 Insurance Corporation.

31 Revised Law

32 Sec. 1082.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
33 Except as provided by Sections 1082.110, 1082.201, 1082.204, and
34 1082.205, the district may not incur a debt payable from district
35 revenue other than the revenue on hand or to be on hand in the
36 current and immediately following district fiscal years.

37 (b) The board may invest operating, depreciation, or
38 building reserves only in funds or securities specified by Chapter
39 2256, Government Code. (Acts 71st Leg., R.S., Ch. 8, Sec. 6.09.)

40 Source Law

41 Sec. 6.09. (a) Except as provided by Subsection
42 (a), Section 5.07, and Sections 7.01, 7.04, and 7.05 of
43 this Act, the district may not incur a debt payable
44 from revenues of the district other than the revenues
45 on hand or to be on hand in the current and immediately

1 following fiscal year of the district.

2 (b) The board may invest operating,
3 depreciation, or building reserves only in funds or
4 securities specified by Article 836 or 837, Revised
5 Statutes.

6 Revisor's Note

7 Section 6.09(b), Chapter 8, Acts of the 71st
8 Legislature, Regular Session, 1989, refers to Articles
9 836 and 837, Revised Statutes. Those articles were
10 impliedly repealed by the enactment of the Public
11 Funds Investment Act of 1987 (Article 842a-2, Vernon's
12 Texas Civil Statutes), which was revised in 1993 as
13 Chapter 2256, Government Code. Chapter 2256 defines
14 "local government" to include hospital districts and
15 applies to the district by its own terms. The revised
16 law therefore substitutes a reference to Chapter 2256,
17 Government Code, for the reference to Articles 836 and
18 837.

19 [Sections 1082.161-1082.200 reserved for expansion]

20 SUBCHAPTER E. BONDS

21 Revised Law

22 Sec. 1082.201. 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; or

27 (2) equip buildings or improvements for hospital
28 purposes. (Acts 71st Leg., R.S., Ch. 8, Sec. 7.01.)

29 Source Law

30 Sec. 7.01. The board may issue and sell bonds
31 authorized by an election in the name and on the faith
32 and credit of the hospital district to:

33 (1) purchase, construct, acquire, repair,
34 or renovate buildings or improvements; or

35 (2) equip buildings or improvements for
36 hospital purposes.

37 Revisor's Note

38 Section 7.01, Chapter 8, Acts of the 71st
39 Legislature, Regular Session, 1989, provides that the
40 board may issue and sell bonds in the name and on the

1 faith and credit of the district. Because the type of
2 bonds described by Section 7.01 are known as "general
3 obligation bonds," the revised law is drafted
4 accordingly.

5 Revised Law

6 Sec. 1082.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
7 the time general obligation bonds are issued by the district under
8 Section 1082.201, the board shall impose an ad valorem tax at a rate
9 sufficient to create an interest and sinking fund to pay the
10 principal of and interest on the bonds as the bonds 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 the
13 limit approved by the voters at the election authorizing the
14 imposition of the tax. (Acts 71st Leg., R.S., Ch. 8, Sec. 7.02.)

15 Source Law

16 Sec. 7.02. (a) At the time the bonds are issued
17 by the district, the board shall levy a tax.

18 (b) The tax must be sufficient to create an
19 interest and sinking fund to pay the principal of and
20 interest on the bonds as they mature.

21 (c) In any year, the tax together with any other
22 tax the district levies may not exceed the limit
23 approved by the voters at the election authorizing the
24 levy of taxes.

25 Revisor's Note

26 Section 7.02, Chapter 8, Acts of the 71st
27 Legislature, Regular Session, 1989, requires the
28 district to levy a tax to pay the principal of and
29 interest on bonds. The revised law specifies that the
30 tax is an "ad valorem" tax because it is clear from the
31 source law that the tax is a property tax and "ad
32 valorem" is the term most commonly used to refer to a
33 property tax.

34 Revised Law

35 Sec. 1082.203. GENERAL OBLIGATION BOND ELECTION. (a) The
36 district may issue general obligation bonds only if the bonds are
37 authorized by a majority of the district voters voting at an
38 election held for that purpose.

1 (b) The board may order a bond election.

2 (c) The order calling the election must specify:

3 (1) the nature and date of the election;

4 (2) the hours during which the polls will be open;

5 (3) the location of the polling places;

6 (4) the amount of the bonds to be authorized; and

7 (5) the maximum maturity of the bonds.

8 (d) Notice of a bond election shall be given as provided by
9 Section 1251.003, Government Code.

10 (e) The board shall declare the results of the election.
11 (Acts 71st Leg., R.S., Ch. 8, Sec. 7.03.)

12 Source Law

13 Sec. 7.03. (a) The district may issue general
14 obligation bonds only if the bonds are authorized by a
15 majority of the qualified voters of the district
16 voting at an election called and held for that purpose.

17 (b) The board may order a bond election. The
18 order calling the election must state the nature and
19 date of the election, the hours during which the polls
20 will be open, the location of the polling places, the
21 amount of bonds to be authorized, and the maximum
22 maturity of the bonds.

23 (c) Notice of a bond election shall be given as
24 provided by Article 704, Revised Statutes.

25 (d) The board shall canvass the returns and
26 declare the results of the election.

27 Revisor's Note

28 (1) Section 7.03(a), Chapter 8, Acts of the 71st
29 Legislature, Regular Session, 1989, refers to a
30 majority vote of the "qualified" voters of the
31 district. The revised law omits "qualified" as
32 unnecessary in this context because Chapter 11,
33 Election Code, governs eligibility to vote in an
34 election in this state and allows only "qualified"
35 voters who are residents of the territory covered by
36 the election to vote in an election.

37 (2) Section 7.03(a), Chapter 8, Acts of the 71st
38 Legislature, Regular Session, 1989, refers to an
39 election "called and held." The revised law omits the
40 reference to "calling" an election because, in this
41 context, "calling" an election is included in the

1 meaning of "holding" an election. Under Chapter 3,
2 Election Code, all elections must be ordered (called)
3 before they may be held.

4 (3) Section 7.03(c), Chapter 8, Acts of the 71st
5 Legislature, Regular Session, 1989, refers to Article
6 704, Revised Statutes, which specifies certain notice
7 requirements for a bond election. That provision was
8 codified in 1999 as Section 1251.003, Government Code.
9 The revised law is drafted accordingly.

10 (4) Section 7.03(d), Chapter 8, Acts of the 71st
11 Legislature, Regular Session, 1989, provides that
12 "[t]he board shall canvass the returns" of a bond
13 election. The revised law omits this requirement
14 because it duplicates Section 67.002, Election Code,
15 which requires the governing body of a political
16 subdivision that orders an election to canvass the
17 returns.

18 Revised Law

19 Sec. 1082.204. 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; or

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

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

27 (c) The bonds may be additionally secured by a mortgage or
28 deed of trust lien on all or part of district property.

29 (d) The bonds must be issued in the manner provided by
30 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
31 Health and Safety Code, for issuance of revenue bonds by a county
32 hospital authority. (Acts 71st Leg., R.S., Ch. 8, Sec. 7.04.)

33 Source Law

34 Sec. 7.04. (a) The board may issue revenue bonds
35 to:

1 (1) purchase, construct, acquire, repair,
2 equip, or renovate buildings or improvements for
3 hospital purposes; or

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

6 (b) The bonds must be payable from and secured
7 by a pledge of all or part of the revenues derived from
8 the operation of the district's hospital system. The
9 bonds may be additionally secured by a mortgage or deed
10 of trust lien on all or part of district property.

11 (c) The bonds must be issued in the manner
12 provided by Sections 8, 10, 11, 12, and 13, County
13 Hospital Authority Act (Article 4494r, Vernon's Texas
14 Civil Statutes), for issuance of revenue bonds by
15 county hospital authorities.

16 Revisor's Note

17 Section 7.04(c), Chapter 8, Acts of the 71st
18 Legislature, Regular Session, 1989, refers to Sections
19 8, 10, 11, 12, and 13, County Hospital Authority Act
20 (Article 4494r, Vernon's Texas Civil Statutes). Those
21 provisions were codified in 1989 as Sections 264.042,
22 264.043, 264.046, 264.047, 264.048, and 264.049,
23 Health and Safety Code. The revised law is drafted
24 accordingly.

25 Revised Law

26 Sec. 1082.205. REFUNDING BONDS. (a) The board may issue
27 refunding bonds to refund outstanding indebtedness issued or
28 assumed by the district.

29 (b) Refunding bonds may be:

30 (1) sold, with the proceeds of the refunding bonds
31 applied to the payment of the outstanding indebtedness; or

32 (2) exchanged wholly or partly for not less than a
33 similar principal amount of outstanding indebtedness. (Acts 71st
34 Leg., R.S., Ch. 8, Secs. 7.05(a) (part), (c) (part).)

35 Source Law

36 Sec. 7.05. (a) Refunding bonds of the district
37 may be issued to refund and pay off an outstanding
38 indebtedness the district has issued or assumed, and,
39

40 (c) The refunding bonds may be sold and the
41 proceeds applied to the payment of outstanding
42 indebtedness or may be exchanged in whole or in part
43 for not less than a similar principal amount of
44 outstanding indebtedness. . . .

1 Revisor's Note

2 (1) Section 7.05(a), Chapter 8, Acts of the 71st
3 Legislature, Regular Session, 1989, authorizes the
4 district to issue refunding bonds to "refund"
5 outstanding indebtedness issued or assumed by the
6 district, including a specific series of bonds issued
7 by Nolan County and the City of Sweetwater and assumed
8 by the district after the district was created (see
9 Section 5.01, Chapter 8, Acts of the 71st Legislature,
10 Regular Session, 1989). The revised law omits the
11 reference to the specific series of bonds as
12 unnecessary. The language authorizing the district to
13 issue refunding bonds to refund any outstanding
14 indebtedness assumed by the district is sufficient to
15 authorize the district to issue refunding bonds in
16 connection with the specific series of bonds cited.
17 The omitted law reads:

18 (a) . . . in particular, the Nolan
19 County--City of Sweetwater, Texas Hospital
20 Board First Mortgage Revenue Bonds, Series
21 1975, which may be refunded by the issuance
22 of the district's general obligation
23 refunding bonds payable from the ad valorem
24 tax voted by the district.

25 (2) Sections 7.05(b) and (c), Chapter 8, Acts of
26 the 71st Legislature, Regular Session, 1989, require
27 the district to issue refunding bonds in the manner
28 prescribed by Article 717k-3 (Vernon's Texas Civil
29 Statutes) and, for refunding bonds that will be sold,
30 to issue the bonds and to make payments on the bonds in
31 the manner prescribed by Article 717k (Vernon's Texas
32 Civil Statutes). Articles 717k and 717k-3 were
33 codified in 1999 as Chapter 1207, Government Code. The
34 revised law omits the provisions because Chapter 1207,
35 Government Code, applies to the district by its own
36 terms under Section 1207.001, Government Code. The
37 omitted law reads:

1 (b) The bonds must be issued in the
2 manner provided by Chapter 784, Acts of the
3 61st Legislature, Regular Session, 1969
4 (Article 717k-3, Vernon's Texas Civil
5 Statutes).

6 (c) . . . If the refunding bonds are
7 to be sold and the proceeds applied to the
8 payment of outstanding indebtedness, the
9 refunding bonds must be issued and payments
10 made in the manner provided by Chapter 503,
11 Acts of the 54th Legislature, Regular
12 Session, 1955 (Article 717k, Vernon's Texas
13 Civil Statutes).

14 Revised Law

15 Sec. 1082.206. MATURITY OF BONDS. District bonds must
16 mature not later than 40 years after the date of issuance. (Acts
17 71st Leg., R.S., Ch. 8, Sec. 7.06 (part).)

18 Source Law

19 Sec. 7.06. District bonds must mature not more
20 than 40 years after the date of their issuance and
21

22 Revisor's Note

23 Section 7.06, Chapter 8, Acts of the 71st
24 Legislature, Regular Session, 1989, provides that
25 district bonds must bear interest at a rate not to
26 exceed that provided by Chapter 3, Acts of the 61st
27 Legislature, Regular Session, 1969 (Article 717k-2,
28 Vernon's Texas Civil Statutes). The revised law omits
29 the provision because the maximum interest rate noted
30 in Chapter 3 was revised in 1999 as Section 1204.006,
31 Government Code, and Section 1204.006 applies to the
32 district on its own terms under Section 1204.001,
33 Government Code. The omitted law reads:

34 Sec. 7.06. [District bonds] . . .
35 must bear interest at a rate not to exceed
36 that provided by Chapter 3, Acts of the 61st
37 Legislature, Regular Session, 1969 (Article
38 717k-2, Vernon's Texas Civil Statutes).

39 Revised Law

40 Sec. 1082.207. EXECUTION OF BONDS. (a) The board president
41 shall execute the district's bonds in the district's name.

42 (b) The board secretary shall countersign the bonds in the
43 manner provided by Chapter 618, Government Code. (Acts 71st Leg.,
44 R.S., Ch. 8, Sec. 7.07.)

1 because they duplicate, in substance, Chapter 1202,
2 Government Code. Section 1202.003(a), Government
3 Code, requires that bonds be submitted to the attorney
4 general. Section 1202.003(b), Government Code,
5 provides for approval of the bonds by the attorney
6 general and requires the attorney general to submit
7 the approved bonds to the comptroller for
8 registration. Section 1202.005, Government Code,
9 requires registration of the bonds by the comptroller.
10 Section 1202.006, Government Code, provides that after
11 approval and registration the bonds are incontestable
12 and binding obligations. Chapter 1202, Government
13 Code, applies to district bonds by application of
14 Section 1202.001, Government Code. The omitted law
15 reads:

16 Sec. 7.08. (a) District bonds are
17 subject to the same requirements with
18 regard to approval by the attorney general
19 and registration by the comptroller of
20 public accounts as the law provides for
21 approval and registration of bonds issued
22 by counties.

23 (b) On approval by the attorney
24 general and registration by the comptroller
25 of public accounts, the bonds are
26 incontestable for any cause.

27 (2) Section 7.09, Chapter 8, Acts of the 71st
28 Legislature, Regular Session, 1989, provides that
29 district bonds are legal and authorized investments,
30 as provided by the Bond Procedures Act of 1981 (Article
31 717k-6, Vernon's Texas Civil Statutes). The relevant
32 part of Article 717k-6 was revised in 1999 as Section
33 1201.041, Government Code. The revised law omits the
34 reference to Article 717k-6 because Section 1201.041,
35 Government Code, applies to district bonds on its own
36 terms under Section 1201.002, Government Code. The
37 omitted law reads:

38 Sec. 7.09. District bonds and
39 indebtedness assumed by the district are
40 legal and authorized investments as
41 provided in the Bond Procedures Act of 1981

1 (Article 717k-6, Vernon's Texas Civil
2 Statutes).

3 (3) Section 7.10, Chapter 8, Acts of the 71st
4 Legislature, Regular Session, 1989, provides that
5 district bonds may secure deposits of public funds of
6 the state or public agencies of the state, as provided
7 in the Bond Procedures Act of 1981 (Article 717k-6,
8 Vernon's Texas Civil Statutes). The revised law omits
9 the provision as it relates to deposits of state funds
10 as impliedly repealed by Section 404.0221, Government
11 Code (enacted in 1995), which lists eligible
12 collateral for deposits of state funds by the
13 comptroller. As to deposits of other funds, this
14 provision duplicates Chapter 2257, Government Code,
15 which governs eligible collateral for deposits of
16 funds of other public agencies, including political
17 subdivisions, and permits those deposits to be secured
18 by obligations issued by hospital districts. The
19 reference to the Bond Procedures Act of 1981 is
20 obsolete. The act was codified in 1999 as Chapter
21 1201, Government Code, and the relevant substance was
22 omitted in that codification as impliedly repealed by
23 the provisions cited in this note (see Revisor's Note
24 (3) to Section 1201.041, Government Code). The
25 omitted law reads:

26 Sec. 7.10. District bonds are
27 eligible to secure deposits of public
28 funds, as provided in the Bond Procedures
29 Act of 1981 (Article 717k-6, Vernon's Texas
30 Civil Statutes), of the state and of cities,
31 counties, school districts, and other
32 political subdivisions of the state. The
33 bonds are lawful and sufficient security
34 for deposits to the extent of their value.

35 [Sections 1082.209-1082.250 reserved for expansion]

36 SUBCHAPTER F. TAXES

37 Revised Law

38 Sec. 1082.251. IMPOSITION OF AD VALOREM TAX. (a) The board
39 may impose a tax on all property in the district subject to district

1 taxation.

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

3 (1) indebtedness issued or assumed by the district;
4 and

5 (2) the maintenance and operating expenses of the
6 district.

7 (c) The district may not impose a tax to pay the principal of
8 or interest on revenue bonds issued under this chapter. (Acts 71st
9 Leg., R.S., Ch. 8, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

10 Source Law

11 Sec. 8.01. (a) The board may annually levy taxes
12

13 (c) The taxes may be used to pay:
14 (1) the indebtedness issued or assumed by
15 the district; and
16 (2) the maintenance and operating expenses
17 of the district.

18 (d) The district may not levy taxes to pay the
19 principal of or interest on revenue bonds issued under
20 this Act.

21 [Sec. 8.02]

22 (b) The board shall levy taxes on all property
23 in the district subject to hospital district taxation.

24 Revised Law

25 Sec. 1082.252. TAX RATE. (a) The board may impose the tax
26 at a rate not to exceed the limit approved by the voters at the
27 election authorizing the imposition of the tax.

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

30 (c) In setting the tax rate, the board shall consider the
31 income of the district from sources other than taxation. (Acts 71st
32 Leg., R.S., Ch. 8, Secs. 8.01(a) (part), (b), 8.03 (part).)

33 Source Law

34 Sec. 8.01. (a) [The board may annually levy
35 taxes] in an amount not to exceed the limit approved by
36 the voters at the election authorizing the levy of
37 taxes.

38 (b) The tax rate for all purposes may not exceed
39 75 cents on each \$100 valuation of all taxable property
40 in the district.

41 Sec. 8.03. In setting the tax rate, the board
42 shall take into consideration the income of the
43 district from sources other than taxation. . . .

1 Revisor's Note

2 Section 8.03, Chapter 8, Acts of the 71st
3 Legislature, Regular Session, 1989, requires the board
4 to levy the tax and to certify the tax levy to the tax
5 assessor-collector. The revised law omits that
6 provision because Section 26.05(a), Tax Code, requires
7 the governing body of a taxing unit to adopt a tax rate
8 for the current tax year and to notify the tax assessor
9 of that rate. The omitted law reads:

10 Sec. 8.03. . . . On determination of
11 the amount of tax required to be levied, the
12 board shall levy the tax and certify the tax
13 levy to the tax assessor-collector.

14 Revised Law

15 Sec. 1082.253. 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. 8, Sec.
19 8.04(b).)

20 Source Law

21 (b) The board may provide for the appointment of
22 a tax assessor-collector for the district or may
23 contract for the assessment and collection of taxes as
24 provided by the Tax Code.

25 Revisor's Note
26 (End of Subchapter)

27 (1) Section 8.02(a), Chapter 8, Acts of the 71st
28 Legislature, Regular Session, 1989, provides that the
29 board may levy taxes for the entire year in which the
30 district is created. The revised law omits that
31 provision as executed. The omitted law reads:

32 Sec. 8.02. (a) The board may levy
33 taxes for the entire year in which the
34 district is created.

35 (2) Section 8.04(a), Chapter 8, Acts of the 71st
36 Legislature, Regular Session, 1989, provides that the
37 Tax Code governs the appraisal, assessment, and
38 collection of district taxes. The revised law omits
39 this provision because Section 1.02, Tax Code,

1 requires all taxing units of government to administer
2 the assessment and collection of an ad valorem tax in
3 conformity with Title 1, Tax Code. The omitted law
4 reads:

5 Sec. 8.04. (a) The Tax Code governs
6 the appraisal, assessment, and collection
7 of district taxes.

8 Revisor's Note
9 (End of Chapter)

10 Sections 5.01(a) and (b) and 5.02(2), Chapter 8,
11 Acts of the 71st Legislature, Regular Session, 1989,
12 require the Nolan County--City of Sweetwater, Texas
13 Hospital Board to transfer certain land, buildings,
14 improvements, equipment, funds, and taxes to the
15 district after the district is created and to provide
16 for the assumption of debt, including a specific
17 series of bonds, by the district on creation. The
18 revised law omits the provisions as executed. The
19 omitted law reads:

20 Sec. 5.01. (a) On creation of the
21 district, the Nolan County--City of
22 Sweetwater, Texas Hospital Board shall
23 convey or transfer to the district:

24 (1) title to land, buildings,
25 improvements, and equipment related to the
26 hospital system owned by Nolan County and
27 the City of Sweetwater and other
28 governmental entities in which the district
29 is located;

30 (2) operating funds and
31 reserves for operating expenses and funds
32 that have been budgeted by Nolan County and
33 the City of Sweetwater to provide medical
34 care for residents of the district for the
35 remainder of the fiscal year in which the
36 district is established;

37 (3) taxes levied by Nolan
38 County and the City of Sweetwater and other
39 governmental entities in which the district
40 is located for hospital purposes for the
41 year in which the district is created; and

42 (4) funds established for
43 payment of indebtedness assumed by the
44 district, including the funds in connection
45 with the outstanding Nolan County--City of
46 Sweetwater, Texas Hospital Board First
47 Mortgage Revenue Bonds, Series 1975.

48 (b) On creation of the district, the
49 outstanding Nolan County--City of
50 Sweetwater, Texas Hospital Board First
51 Mortgage Revenue Bonds, Series 1975, as
52 authorized by the Nolan County--City of

1 Sweetwater, Texas Hospital Board, as agents
 2 for and on behalf of the City of Sweetwater
 3 and Nolan County, are assumed by the
 4 district as obligations of the district and
 5 the bonds become general obligations of the
 6 district payable from the levy of an ad
 7 valorem tax of the district within the tax
 8 limitation voted by the electorate of the
 9 district.

10 Sec. 5.02. . . . [the district:]

11 . . .
 12 (2) assumes any outstanding
 13 obligations incurred by Nolan County and
 14 the City of Sweetwater or other
 15 governmental entities in which all or part
 16 of the district is located in providing
 17 hospital care for residents of the
 18 territory of the district before the
 19 district's creation.

20 CHAPTER 1083. NORTH WHEELER COUNTY HOSPITAL DISTRICT

21 SUBCHAPTER A. GENERAL PROVISIONS

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1 [Sections 1083.207-1083.250 reserved for expansion]

2 SUBCHAPTER F. TAXES

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6 CHAPTER 1083. NORTH WHEELER COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 1083.001. 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 North Wheeler County Hospital
- 14 District. (New.)

15 Revisor's Note

16 The definitions of "board," "director," and

17 "district" are added to the revised law for drafting

18 convenience and to eliminate frequent, unnecessary

19 repetition of the substance of the definitions.

20 Revised Law

21 Sec. 1083.002. AUTHORITY FOR CREATION. The North Wheeler

22 County Hospital District is created under the authority of Section

23 9, Article IX, Texas Constitution, and has the rights, powers, and

24 duties prescribed by this chapter. (Acts 58th Leg., R.S., Ch. 260,

25 Sec. 1 (part).)

26 Source Law

27 Sec. 1. Pursuant to authority granted by the

28 provisions of Section 9 of Article IX of the

29 Constitution of the State of Texas, North Wheeler

30 County Hospital District is hereby authorized to be

31 created and . . . possess such rights, powers and

32 duties as are hereinafter prescribed.

33 Revised Law

34 Sec. 1083.003. ESSENTIAL PUBLIC FUNCTION. The district

35 performs an essential public function in carrying out the purposes

36 of this chapter. (Acts 58th Leg., R.S., Ch. 260, Sec. 8 (part).)

1 the district and the imposition of an ad valorem tax.
2 Because the creation of the district and the
3 imposition of the tax were approved at the election,
4 the revised law omits the relevant law as executed.
5 The omitted law reads:

6 Sec. 3. The District shall not be
7 created nor shall any tax therein be
8 authorized unless and until such creation
9 and such tax are approved by a majority of
10 the qualified property taxpaying electors
11 of the District voting at an election called
12 for such purpose. Such election may be
13 initiated by the Commissioners Court of
14 Wheeler County upon its own motion and shall
15 be called by said Commissioners Court upon
16 presentation of a petition therefor signed
17 by at least fifty (50) qualified property
18 taxpaying electors of the District. Such
19 election shall be held not less than thirty
20 (30) nor more than sixty (60) days from the
21 time such election is ordered by the
22 Commissioners Court. The order calling the
23 election shall specify the time and places
24 of holding same, the form of ballot and the
25 presiding judge for each voting place.
26 Notice of election shall be given by
27 publishing a substantial copy of the
28 election order in a newspaper of general
29 circulation in said District, once a week
30 for two (2) consecutive weeks, the first
31 publication to appear at least fourteen
32 (14) days prior to the date established for
33 the election. The failure of any such
34 election shall not operate to prohibit the
35 calling and holding of subsequent elections
36 for the same purpose. At said election there
37 shall be submitted to the qualified
38 property taxpaying electors of said
39 District the proposition of whether or not
40 North Wheeler County Hospital District
41 shall be created . . . a majority of the
42 qualified property taxpaying electors of
43 the District voting at said election in
44 favor of the proposition shall be
45 sufficient for its adoption. The ballots
46 shall have printed thereon the following:

47 "FOR the creation of a hospital
48 district; providing for the levy of a tax
49 not to exceed seventy-five cents (75¢) on
50 the One Hundred Dollars (\$100) valuation,
51 and using Wheeler County, Texas, values and
52 the Wheeler County, Texas, tax roll.", and

53 "AGAINST the creation of a hospital
54 district; providing for the levy of a tax
55 not to exceed seventy-five cents (75¢) on
56 the One Hundred Dollars (\$100) valuation,
57 and using Wheeler County, Texas, values and
58 the Wheeler County, Texas, tax roll."

59 Sec. 4. Within ten (10) days after
60 such election is held the Commissioners
61 Court of said County shall convene and
62 canvass the returns thereof and in the event
63 such election results favorably to the

1 proposition specified in Section 3 hereof,
2

3 [Sections 1083.007-1083.050 reserved for expansion]

4 SUBCHAPTER B. DISTRICT ADMINISTRATION

5 Revised Law

6 Sec. 1083.051. BOARD ELECTION; TERM. (a) The district is
7 governed by a board of five directors elected from single-member
8 voting precincts.

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) a directors' election shall be held each year on
13 the date that the election of public school trustees is held. (Acts
14 58th Leg., R.S., Ch. 260, Sec. 4 (part).)

15 Source Law

16 Sec. 4. . . . such District shall be governed by
17 a Board of Directors to consist of five (5) members,
18 For purposes of electing Directors, the
19 Hospital District shall be divided into five (5)
20 voting precincts Each voting precinct of the
21 Hospital District shall be represented by one (1)
22 Director The regular term of each Director
23 shall be for two (2) years but after the first called
24 election, the Directors by lot shall select three (3)
25 Directors for two (2) year terms, and two (2) Directors
26 for one (1) year terms. . . .

27 A regular election of Directors shall be held on
28 the same day that the election of trustees of public
29 schools is held each year and

30 Revisor's Note

31 (1) Section 4, Chapter 260, Acts of the 58th
32 Legislature, Regular Session, 1963, prescribes the
33 terms of the initial board of directors and, in doing
34 so, establishes staggered two-year terms for the
35 directors. The revised law omits the specific
36 provision relating to the terms of the initial
37 directors as executed but revises the establishment of
38 a board consisting of five directors serving staggered
39 two-year terms.

40 (2) Section 4, Chapter 260, Acts of the 58th
41 Legislature, Regular Session, 1963, establishes that

1 directors serve staggered two-year terms. Section
2 285.081, Health and Safety Code, applicable to this
3 hospital district, provides a mechanism by which the
4 governing board of a hospital district, on its own
5 motion, may order that the directors are to be elected
6 in even-numbered years to serve staggered four-year
7 terms. The revised law is drafted accordingly and adds
8 a reference to Section 285.081 for the convenience of
9 the reader.

10 (3) Section 4, Chapter 260, Acts of the 58th
11 Legislature, Regular Session, 1963, prescribes the
12 procedures for dividing the hospital district into
13 five voting precincts and electing the initial
14 directors. The revised law omits the provision as
15 executed. The omitted law reads:

16 Sec. 4. . . . Not less than fifteen
17 (15) nor more than twenty-five (25) days
18 after the District is declared established
19 and created the Commissioners Court shall
20 call an election for the five (5) Directors
21 who will serve as the District's first Board
22 of Directors, this election to be held on a
23 date not more than thirty (30) days after
24 the day of the passage of the Commissioners
25 Court order calling same but on such date as
26 will permit publication of an election
27 notice in a newspaper of general
28 circulation in Wheeler County one (1) time
29 not less than ten (10) days prior to such
30 election date. Any candidate desiring to be
31 voted upon as a first Director shall, no
32 later than three (3) days prior to the day
33 of passage of the Commissioners Court order
34 calling the election, present a petition to
35 that Court signed by such candidate and not
36 less than five (5) qualified voters
37 residing in the candidate's voting
38 precinct, requesting that his name be
39 placed upon the official ballot. . . . [For
40 the purpose of electing Directors, the
41 Hospital District shall be divided into
42 five (5) voting precincts] which shall be
43 made up of the parts of the following school
44 districts which lie within the Hospital
45 District, using school district boundaries
46 as of January 1, 1963, as follows: Allison,
47 Kelton, Briscoe, Wheeler plus any part of
48 Sections 14 and 15 of Block 27, H & G.N.
49 Survey that are within the boundaries of the
50 Hospital District, and Mobeetie plus any
51 part of Sections 69 and 70 of Block 24 of H
52 and G.N. Survey that are within the
53 boundaries of the Hospital District. Any

1 territory within the Hospital District, but
2 not within one of the five (5) school
3 districts, shall be added to the nearest
4 Hospital District voting precinct by the
5 action of the Board of Directors of the
6 Hospital District. . . . The first year
7 terms shall be ended on the date of the
8 first annual election as hereinafter
9 provided. . . .

10 (4) Section 4, Chapter 260, Acts of the 58th
11 Legislature, Regular Session, 1963, provides for the
12 eligibility of voters to vote in an election for a
13 director. The revised law omits that provision
14 because Chapter 11, Election Code, governs eligibility
15 to vote in an election in this state and allows only
16 qualified voters who are residents of the territory
17 covered by the election to vote in an election. The
18 omitted law reads:

19 Sec. 4. . . . All qualified electors
20 residing within the District shall be
21 eligible to vote for Directors; provided,
22 however, that such eligible elector can
23 vote only to select a Director from the
24 Hospital District voting precinct of the
25 residence of such elector.

26 Revised Law

27 Sec. 1083.052. NOTICE OF ELECTION. At least 10 days before
28 the date of a directors' election, notice of the election shall be
29 published one time in a newspaper of general circulation in Wheeler
30 County. (Acts 58th Leg., R.S., Ch. 260, Sec. 4 (part).)

31 Source Law

32 Sec. 4. . . . notice of such election shall be
33 published in a newspaper of general circulation in the
34 County one (1) time at least ten (10) days prior to the
35 date of election. . . .

36 Revisor's Note

37 Section 4, Chapter 260, Acts of the 58th
38 Legislature, Regular Session, 1963, requires notice of
39 a directors' election to be published in "the County."
40 Throughout this chapter, the revised law substitutes
41 "Wheeler County" for the quoted language because
42 Wheeler County is the county in which the district is
43 located.

1 Revised Law

2 Sec. 1083.053. BALLOT PETITION. A person seeking 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 not fewer than five registered voters
7 who reside in the voting precinct the candidate seeks to represent;
8 and

9 (2) filed at least 25 days before the date of the
10 election. (Acts 58th Leg., R.S., Ch. 260, Sec. 4 (part).)

11 Source Law

12 Sec. 4. . . . Any person desiring his name to
13 be printed on the ballot as a candidate for Director
14 shall file a petition, signed by not less than five (5)
15 qualified voters residing in the candidate's voting
16 precinct asking that such name be printed on the
17 ballot, with the secretary of the Board of Directors of
18 the District. Such petition shall be filed with such
19 secretary at least twenty-five (25) days prior to the
20 date of election. . . .

21 Revisor's Note

22 Section 4, Chapter 260, Acts of the 58th
23 Legislature, Regular Session, 1963, refers to a
24 petition signed by "qualified voters." The revised
25 law substitutes "registered voters" for the quoted
26 language because in the context of eligibility to sign
27 a petition, Section 277.0021, Election Code, provides
28 that "qualified voter" means "registered voter."

29 Revised Law

30 Sec. 1083.054. QUALIFICATIONS FOR OFFICE. A person may not
31 be elected or appointed as a director unless the person:

32 (1) is a resident of the voting precinct the person is
33 elected or appointed to represent;

34 (2) owns property in the district subject to taxation;
35 and

36 (3) is more than 18 years of age at the time of
37 election or appointment. (Acts 58th Leg., R.S., Ch. 260, Sec. 4
38 (part).)

1 Revised Law

2 Sec. 1083.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
3 OF OFFICE. (a) Each director shall execute a good and sufficient
4 commercial bond for \$1,000 that is:

5 (1) payable to the district; and

6 (2) conditioned on the faithful performance of the
7 director's duties.

8 (b) The district shall pay for a director's bond.

9 (c) Each director's bond and constitutional oath or
10 affirmation of office shall be deposited with the district's
11 depository bank for safekeeping. (Acts 58th Leg., R.S., Ch. 260,
12 Sec. 4 (part).)

13 Source Law

14 Sec. 4. . . . Each member of the Board of
15 Directors shall qualify by executing the
16 constitutional oath of office and shall execute a good
17 and sufficient commercial bond for One Thousand
18 Dollars (\$1,000) payable to said District conditioned
19 upon the faithful performance of his duties, and such
20 oaths and bonds shall be deposited with the depository
21 bank of the District for safekeeping. The cost of this
22 bond shall be an expense of the Hospital District.

23 . . .

24 Revisor's Note

25 Section 4, Chapter 260, Acts of the 58th
26 Legislature, Regular Session, 1963, requires each
27 director to take the constitutional oath of office.
28 The revised law omits that provision because Section
29 1, Article XVI, Texas Constitution, requires all
30 officers in this state to take the oath (or
31 affirmation) before assuming office. Additionally,
32 the revised law provides for the deposit of the
33 constitutional affirmation, as well as the
34 constitutional oath, because Section 1, Article XVI,
35 Texas Constitution, permits an officer in this state
36 to take either the constitutional oath or affirmation.

37 Revised Law

38 Sec. 1083.056. BOARD VACANCY. (a) If a vacancy occurs in
39 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 fewer than
3 three for any reason, the remaining directors shall immediately
4 call a special election to fill the vacancies. If the remaining
5 directors do not call the election, a district court, on
6 application of a district voter or taxpayer, may order the
7 directors to hold the election. (Acts 58th Leg., R.S., Ch. 260,
8 Sec. 4 (part).)

9 Source Law

10 Sec. 4. . . . All vacancies in the office of
11 Director shall be filled for the unexpired term by
12 appointment of the remainder of the Board of
13 Directors. In the event the number of Directors shall
14 be reduced to less than three (3) for any reason, the
15 remaining Directors shall immediately call a special
16 election to fill said vacancies, and upon failure to do
17 so a District Court may, upon application of any voter
18 or taxpayer of the District, issue a mandate requiring
19 that such election be ordered by the remaining
20 Directors.
21 . . .

22 Revised Law

23 Sec. 1083.057. OFFICERS. The board shall elect from among
24 its members a president, a vice president, and a secretary. (Acts
25 58th Leg., R.S., Ch. 260, Sec. 4 (part).)

26 Source Law

27 Sec. 4. . . .
28 The Board of Directors shall organize by electing
29 one (1) of their number as president, and one (1) as
30 vice president and one (1) as secretary. . . .

31 Revised Law

32 Sec. 1083.058. COMPENSATION. A director serves without
33 compensation. (Acts 58th Leg., R.S., Ch. 260, Sec. 4 (part).)

34 Source Law

35 Sec. 4. . . . Board of Directors . . . who shall
36 serve without pay. . . .

37 Revised Law

38 Sec. 1083.059. VOTING REQUIREMENT. A concurrence of three
39 directors is sufficient in any matter relating to district
40 business. (Acts 58th Leg., R.S., Ch. 260, Sec. 4 (part).)

41 Source Law

42 Sec. 4. . . . [Board of Directors] . . . a

1 concurrence of three (3) shall be sufficient in all
2 matters pertaining to the business of the
3 District. . . .

4 Revisor's Note

5 Section 4, Chapter 260, Acts of the 58th
6 Legislature, Regular Session, 1963, provides that
7 three directors constitute a quorum. The revised law
8 omits that provision because it duplicates Section
9 311.013, Government Code (Code Construction Act),
10 which provides that a quorum of a public body is a
11 majority of the number of members fixed by statute. The
12 omitted law reads:

13 Sec. 4. . . . Any three (3) members
14 of the Board of Directors shall constitute a
15 quorum and

16 Revised Law

17 Sec. 1083.060. DISTRICT ADMINISTRATOR; ASSISTANT
18 ADMINISTRATOR. (a) The board shall appoint a qualified person as
19 district administrator.

20 (b) The board may appoint an assistant administrator.

21 (c) The district administrator and any assistant
22 administrator serve at the will of the board and are entitled to the
23 compensation determined by the board.

24 (d) On assuming the duties of district administrator, the
25 administrator shall execute a bond payable to the district in an
26 amount set by the board of not less than \$10,000 that:

27 (1) is conditioned on the administrator performing the
28 administrator's duties; and

29 (2) contains other conditions the board may require.

30 (Acts 58th Leg., R.S., Ch. 260, Sec. 5 (part).)

31 Source Law

32 Sec. 5. . . . The Board of Directors shall
33 appoint a qualified person to be known as the
34 Administrator or Manager of the Hospital District and
35 may in its discretion appoint an Assistant to the
36 Administrator or Manager. Such Administrator or
37 Manager, and Assistant Administrator or Assistant
38 Manager, if any, shall serve at the will of the Board
39 and shall receive such compensation as may be fixed by
40 the Board. The Administrator or Manager shall, upon
41 assuming his duties, execute a bond payable to the
42 Hospital District in an amount to be set by the Board

1 of Directors, in no event less than Ten Thousand
2 Dollars (\$10,000), conditioned that he shall perform
3 the duties required of him and containing such other
4 conditions as the Board may require. . . .

5 Revisor's Note

6 Section 5, Chapter 260, Acts of the 58th
7 Legislature, Regular Session, 1963, provides that the
8 board shall appoint a person as the "Administrator or
9 Manager" of the district and may appoint an "Assistant
10 to the Administrator or Manager." Throughout this
11 chapter, the revised law omits "manager" because, in
12 context, "manager" is included in the meaning of
13 "administrator" and "administrator" is the term used
14 by the district.

15 Revised Law

16 Sec. 1083.061. 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 58th
22 Leg., R.S., Ch. 260, Sec. 5 (part).)

23 Source Law

24 Sec. 5. . . . The Administrator or Manager
25 shall supervise all the work and activities of the
26 District and shall have general direction of the
27 affairs of the District subject to such limitations as
28 may be prescribed by the Board. . . .

29 Revised Law

30 Sec. 1083.062. EMPLOYEES. The board may employ any doctors,
31 technicians, nurses, and other employees as considered necessary
32 for the efficient operation of the district or may provide that the
33 district administrator has the authority to employ those persons.
34 (Acts 58th Leg., R.S., Ch. 260, Sec. 5 (part).)

35 Source Law

36 Sec. 5. . . . The Board of Directors shall have
37 the authority to employ such doctors, technicians,
38 nurses and other employees of every kind and character
39 as may be deemed necessary for the efficient operation
40 of the District or may provide that the Administrator
41 or Manager shall have the authority to employ such

1 persons. . . .

2 Revised Law

3 Sec. 1083.063. RETIREMENT PROGRAM. The board may enter into
4 any contract or agreement with this state or the federal government
5 that is required to establish or continue a retirement program for
6 the benefit of the district's employees. (Acts 58th Leg., R.S., Ch.
7 260, Sec. 5 (part).)

8 Source Law

9 Sec. 5. . . . The Board of Directors is also
10 authorized to enter into such contracts or agreements
11 with the State of Texas or the Federal Government as
12 may be required to establish or continue a retirement
13 program for the benefit of the District's employees.

14 [Sections 1083.064-1083.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Revised Law

17 Sec. 1083.101. DISTRICT RESPONSIBILITY. The district has
18 full responsibility for:

19 (1) operating all hospital facilities for providing
20 medical and hospital care of indigent persons; and

21 (2) providing medical and hospital care for the
22 district's needy inhabitants. (Acts 58th Leg., R.S., Ch. 260,
23 Secs. 2 (part), 17 (part).)

24 Source Law

25 Sec. 2. . . . Such District shall assume full
26 responsibility for providing medical and hospital care
27 for its needy inhabitants. . . .

28 Sec. 17. . . . the said North Wheeler County
29 Hospital District shall assume full responsibility for
30 the operation of all hospital facilities for the
31 furnishing of medical and hospital care of indigent
32 persons.

33 Revisor's Note

34 Sections 2 and 17, Chapter 260, Acts of the 58th
35 Legislature, Regular Session, 1963, provide that the
36 district "shall assume" full responsibility for
37 providing medical and hospital care for the district's
38 needy inhabitants and for the operation of hospital
39 facilities for the indigent. The revised law
40 substitutes "has" for the quoted language because the

1 duty to assume the responsibility is executed.

2 Revised Law

3 Sec. 1083.102. RESTRICTION ON POLITICAL SUBDIVISION
4 TAXATION AND DEBT. Wheeler County or another political
5 subdivision, other than the district, may not impose a tax or issue
6 bonds or other obligations for hospital purposes for medical
7 treatment of indigent persons in the district. (Acts 58th Leg.,
8 R.S., Ch. 260, Sec. 17 (part).)

9 Source Law

10 Sec. 17. After creation of North Wheeler County
11 Hospital District, neither Wheeler County or no other
12 municipality or political subdivision shall
13 thereafter issue bonds or other evidences of
14 indebtedness or levy taxes for hospital purposes for
15 medical treatment of indigent persons within said
16 District and

17 Revisor's Note

18 (1) Section 17, Chapter 260, Acts of the 58th
19 Legislature, Regular Session, 1963, provides that
20 "[a]fter creation of North Wheeler County Hospital
21 District," certain political subdivisions may not levy
22 taxes or issue bonds. The revised law omits the quoted
23 language as executed. In addition, throughout this
24 chapter, the revised law substitutes "impose" for
25 "levy" because, in this context, the terms are
26 synonymous and the former is more commonly used.

27 (2) Section 17, Chapter 260, Acts of the 58th
28 Legislature, Regular Session, 1963, refers to a
29 "municipality or political subdivision." Throughout
30 this chapter, the revised law omits references to
31 "municipality" in this context because "municipality"
32 is included in the meaning of "political subdivision."

33 (3) Section 17, Chapter 260, Acts of the 58th
34 Legislature, Regular Session, 1963, provides that
35 Wheeler County or any other political subdivision may
36 not issue bonds or other "evidences of indebtedness."
37 The revised law substitutes "obligations" for

1 "evidences of indebtedness" because, in context, the
2 terms are synonymous, and "obligations" is more
3 commonly used.

4 Revised Law

5 Sec. 1083.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
6 The board shall manage, control, and administer the district's
7 hospitals and hospital system. (Acts 58th Leg., R.S., Ch. 260, Sec.
8 5 (part).)

9 Source Law

10 Sec. 5. The Board of Directors shall manage,
11 control and administer the hospitals and hospital
12 system of the District. . . .

13 Revised Law

14 Sec. 1083.104. HOSPITAL SYSTEM. The district shall provide
15 for:

16 (1) the establishment of a hospital or hospital system
17 in the district by:

18 (A) purchasing, constructing, acquiring,
19 repairing, or renovating buildings and improvements; and

20 (B) equipping the buildings and improvements;
21 and

22 (2) the administration of the hospital system for
23 hospital purposes. (Acts 58th Leg., R.S., Ch. 260, Sec. 2 (part).)

24 Source Law

25 Sec. 2. The District herein authorized to be
26 created shall provide for the establishment of a
27 hospital or hospital system within said District by
28 the purchase, construction, acquisition, repair or
29 renovation of buildings and improvements and the
30 equipping of same and the administration thereof for
31 hospital purposes. . . .

32 Revised Law

33 Sec. 1083.105. RULES. The board may adopt rules for the
34 operation of the district and as required to administer this
35 chapter. (Acts 58th Leg., R.S., Ch. 260, Secs. 5 (part), 9 (part).)

36 Source Law

37 Sec. 5. . . . The District through its Board of
38 Directors shall have the power and authority . . . to
39 promulgate rules and regulations for the operation of
40 the District. . . .

1 Sec. 9. The Board of Directors of such District
2 shall have the power . . . to make such rules and
3 regulations as may be required to carry out the
4 provisions of this Act.

5 Revisor's Note

6 Sections 5 and 9, Chapter 260, Acts of the 58th
7 Legislature, Regular Session, 1963, provide that the
8 board may "promulgate rules and regulations" to govern
9 the district and "make such rules and regulations" as
10 required to carry out the act. The revised law
11 substitutes "adopt" for "promulgate" and "make"
12 because the terms are synonymous and the former is more
13 commonly used. The revised law also omits the
14 reference to "regulations" because under Section
15 311.005(5), Government Code (Code Construction Act), a
16 rule is defined to include a regulation.

17 Revised Law

18 Sec. 1083.106. 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 58th
23 Leg., R.S., Ch. 260, Sec. 9 (part).)

24 Source Law

25 Sec. 9. The Board of Directors of such District
26 shall have the power to prescribe the method and manner
27 of making purchases and expenditures, by and for such
28 Hospital District, and also shall be authorized to
29 prescribe all accounting and control procedures and
30

31 Revised Law

32 Sec. 1083.107. EMINENT DOMAIN. (a) The district may
33 exercise the power of eminent domain to acquire a fee simple or
34 other interest in any type of property located in district
35 territory if the interest is necessary or convenient for the
36 district to exercise a power, right, or privilege conferred by this
37 chapter.

38 (b) The district must exercise the power of eminent domain

1 in the manner provided by Chapter 21, Property Code. (Acts 58th
2 Leg., R.S., Ch. 260, Sec. 12.)

3 Source Law

4 Sec. 12. North Wheeler County Hospital District
5 created hereunder shall have the right and power of
6 eminent domain for the purpose of acquiring by
7 condemnation any and all property of any kind and
8 character in fee simple, or any lesser interest
9 therein, within the boundaries of the District,
10 necessary or convenient to the powers, rights and
11 privileges conferred by this Act, in the manner
12 provided by General Law with respect to condemnation.

13 Revisor's Note

14 (1) Section 12, Chapter 260, Acts of the 58th
15 Legislature, Regular Session, 1963, provides that the
16 district has the "right and power of eminent domain for
17 the purpose of acquiring [property] by condemnation."
18 The revised law substitutes for the quoted phrase "may
19 exercise the power of eminent domain to acquire
20 [property]" because the phrases have the same meaning
21 and the latter phrase is consistent with modern usage
22 in laws relating to eminent domain.

23 (2) Section 12, Chapter 260, Acts of the 58th
24 Legislature, Regular Session, 1963, provides that the
25 district must exercise the power of eminent domain in
26 the manner provided by "General Law with respect to
27 condemnation." The revised law substitutes for the
28 quoted language a reference to Chapter 21, Property
29 Code, because that is the general law governing
30 eminent domain for governmental entities.

31 Revised Law

32 Sec. 1083.108. GIFTS AND ENDOWMENTS. The board may accept
33 for the district a gift or endowment to be held in trust and
34 administered by the board for the purposes and under the
35 directions, limitations, or other provisions prescribed in writing
36 by the donor that are not inconsistent with the proper management
37 and objectives of the district. (Acts 58th Leg., R.S., Ch. 260,
38 Sec. 15.)

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Source Law

Sec. 15. The Board of Directors of the Hospital District is authorized on behalf of such District to accept donations, gifts and endowments to be held in trust and administered by the Board of Directors for such purposes and under such directions, limitations, and provisions as may be prescribed in writing by the donor, not inconsistent with proper management and object of the Hospital District.

Revisor's Note

Section 15, Chapter 260, Acts of the 58th Legislature, Regular Session, 1963, refers to "donations" and "gifts." The revised law omits the reference to "donations" because "donations" is included in the meaning of "gifts."

Revised Law

Sec. 1083.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR CARE AND TREATMENT. (a) The board may contract with a county or municipality located outside Wheeler County for the care and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the treatment of a sick or injured person for whom this state or the federal government is responsible. (Acts 58th Leg., R.S., Ch. 260, Sec. 5 (part).)

Source Law

Sec. 5. . . . Such Board shall be authorized to contract with any county or incorporated municipality located outside Wheeler County for the care and treatment of the sick, diseased or injured persons of any such county or municipality and shall have the authority to contract with the State of Texas and agencies of the Federal Government, for treatment of sick, diseased or injured persons for whom the State of Texas or the Federal Government are responsible. . . .

Revisor's Note

(1) Section 5, Chapter 260, Acts of the 58th Legislature, Regular Session, 1963, refers to an "incorporated" municipality. The revised law omits the reference to "incorporated" because under the Local Government Code all municipalities must be incorporated.

1 (2) Section 5, Chapter 260, Acts of the 58th
2 Legislature, Regular Session, 1963, refers to the
3 treatment of a "sick, diseased or injured" person. The
4 revised law omits the references to "diseased" because
5 "diseased" is included in the meaning of "sick."

6 Revised Law

7 Sec. 1083.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) When
8 a patient who resides in the district is admitted to a district
9 facility, the district administrator shall have an inquiry made
10 into 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 support. The amount ordered must be proportionate
23 to the person's financial ability and may not exceed the actual per
24 capita cost of maintenance.

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

29 (e) If there is a dispute as to the ability to pay, or doubt
30 in the mind of the district administrator, the board shall hold a
31 hearing and, after calling witnesses, shall:

32 (1) resolve the dispute or doubt; and

33 (2) issue any appropriate orders. (Acts 58th Leg.,
34 R.S., Ch. 260, Sec. 14.)

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Source Law

Sec. 14. Whenever a patient residing within the District has been admitted to the facilities thereof, the Administrator or Manager, shall cause inquiry to be made as to his circumstances and those of the relatives of such patient legally liable for his support. If he finds that such patient or said relatives are able to pay for his care and treatment, in whole or in part, an order shall be made directing such patient, or said relatives, to pay to the Hospital District for the support of such patient a specified sum per week in proportion to their financial ability, but such sum shall not exceed the actual per capita cost of maintenance. The Administrator or Manager shall have power and authority to collect such sums from the estate of the patient or his relatives legally liable for his support in the manner provided by law for the collection of expenses in the last illness of a deceased person. If the Administrator or Manager finds that such patient or said relatives are not able to pay, either in whole or in part, for his care and treatment in such hospital, same shall become a charge upon the Hospital District as to the amount of the inability to pay. Should there be any dispute as to the ability to pay or doubt in the mind of the Administrator or Manager, the Board of Directors shall hear and determine same, after calling witnesses, and shall make such order or orders as may be proper.

Revised Law

Sec. 1083.111. AUTHORITY TO SUE AND BE SUED. The district, through the board, may sue and be sued. (Acts 58th Leg., R.S., Ch. 260, Sec. 5 (part).)

Source Law

Sec. 5. . . . The District through its Board of Directors shall have the power and authority to sue and be sued and

[Sections 1083.112-1083.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Revised Law

Sec. 1083.151. BUDGET. (a) The district administrator shall prepare an annual budget for approval by the board. The budget must be for the fiscal year prescribed by Section 1083.152.

(b) Not later than August 31 of each year, the board shall publish notice of a public hearing on the proposed budget. The notice must be published in a newspaper of general circulation in Wheeler County at least 10 days before the date of the hearing. (Acts 58th Leg., R.S., Ch. 260, Secs. 6 (part), 16.)

1 Source Law

2 Sec. 6. . . . In addition the Administrator or
3 Manager shall prepare an annual budget for approval by
4 the Board of Directors of said District. . . .

5 Sec. 16. The Board of Directors of said Hospital
6 District shall cause to be prepared an annual budget
7 based upon the fiscal year of the Hospital District in
8 accordance with the provisions of Section 6 hereof and
9 prior to September 1st of each year shall give notice
10 of the public hearing on the proposed budget. Such
11 notice shall be published in a newspaper of general
12 circulation in the County at least ten (10) days prior
13 to the date set for the hearing.

14 Revised Law

15 Sec. 1083.152. FISCAL YEAR. The district operates on a
16 fiscal year that begins on October 1 and ends on September 30.
17 (Acts 58th Leg., R.S., Ch. 260, Sec. 6 (part).)

18 Source Law

19 Sec. 6. The District shall be operated on a
20 fiscal year commencing on October 1st of each year and
21 ending on September 30th of the succeeding year and
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23 Revised Law

24 Sec. 1083.153. AUDIT. (a) The district shall have an audit
25 made of the district's financial condition.

26 (b) The audit shall be open to inspection at all times at the
27 district's principal office. (Acts 58th Leg., R.S., Ch. 260, Sec. 6
28 (part).)

29 Source Law

30 Sec. 6. [The District] . . . it shall cause an
31 audit to be made of the financial condition of said
32 District which shall at all times be open to inspection
33 at the principal office of the District. . . .

34 Revised Law

35 Sec. 1083.154. FINANCIAL REPORT. As soon as practicable
36 after the close of each fiscal year, the district administrator
37 shall prepare for the board:

38 (1) a complete sworn statement of all district money;
39 and

40 (2) a complete account of the disbursements of that
41 money. (Acts 58th Leg., R.S., Ch. 260, Sec. 6 (part).)

1 Source Law

2 Sec. 6. . . . As soon as practical after the
3 close of each fiscal year the Administrator or Manager
4 shall prepare for the Board a full sworn statement of
5 all moneys belonging to the District and a full account
6 of the disbursements of same.

7 Revised Law

8 Sec. 1083.155. DEPOSITORY. (a) The board shall select one
9 or more banks in Wheeler County to serve as a depository for
10 district money.

11 (b) District money shall be immediately deposited on
12 receipt with a depository bank, except that sufficient money must
13 be remitted to an appropriate bank to pay the principal of and
14 interest on the district's outstanding bonds or other obligations
15 on or before the maturity date of the principal and interest.

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

20 (d) Membership on the district's board of an officer or
21 director of a bank does not disqualify the bank from being selected
22 as a depository bank. (Acts 58th Leg., R.S., Ch. 260, Sec. 10.)

23 Source Law

24 Sec. 10. The Board of Directors of the District
25 shall name one or more banks within Wheeler County to
26 serve as depository for the funds of the District. All
27 such funds shall, as derived and collected, be
28 immediately deposited with such depository bank or
29 banks except that sufficient funds shall be remitted
30 to the bank or banks for the payment of principal of
31 and interest on the outstanding bonds of the District
32 or other obligations assumed by it and in time that
33 such money may be received by said bank or banks of
34 payment on or prior to the date of maturity of such
35 principal and interest so to be paid. To the extent
36 that funds in the depository bank or banks are not
37 insured by the Federal Deposit Insurance Corporation,
38 they shall be secured in the manner provided by law for
39 security of county funds. Membership on the Board of
40 Directors of an officer or director of a bank shall not
41 disqualify such bank from being designated as
42 depository.

43 Revisor's Note

44 Section 10, Chapter 260, Acts of the 58th
45 Legislature, Regular Session, 1963, refers to money

1 "derived and collected." The revised law substitutes
2 "on receipt" for the quoted language because the terms
3 are synonymous and the former is more commonly used.

4 [Sections 1083.156-1083.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Revised Law

7 Sec. 1083.201. GENERAL OBLIGATION BONDS. (a) 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 related to the purchase,
10 construction, acquisition, repair, or renovation of buildings or
11 improvements, and equipping buildings or improvements for a
12 hospital and the hospital system, as determined by the board.

13 (b) The board shall issue the bonds in compliance with the
14 applicable provisions of Subtitles A and C, Title 9, Government
15 Code. (Acts 58th Leg., R.S., Ch. 260, Sec. 7 (part).)

16 Source Law

17 Sec. 7. The Board of Directors of the Hospital
18 District shall have the power and authority to issue
19 and sell its bonds in the name and upon the faith and
20 credit of such Hospital District for the purchase,
21 construction, acquisition, repair or renovation of
22 buildings and improvements and equipping the same for
23 hospitals and the hospital system, as determined by
24 the Board, and for any or all of such purposes. . . .
25 Such bonds shall be issued under the provisions of
26 Chapter 1, Title 22 of the Revised Civil Statutes of
27 Texas, as amended, but

28 Revisor's Note

29 (1) Section 7, Chapter 260, Acts of the 58th
30 Legislature, Regular Session, 1963, provides that the
31 board has the power and authority to issue and sell
32 bonds in the name and on the faith and credit of the
33 district. Because the type of bonds described by
34 Section 7 are known as "general obligation bonds," the
35 revised law is drafted accordingly.

36 (2) Section 7, Chapter 260, Acts of the 58th
37 Legislature, Regular Session, 1963, provides that
38 bonds issued under that section "shall be issued under
39 the provisions of Chapter 1, Title 22 of the Revised

1 Civil Statutes of Texas, as amended." Chapter 1, Title
2 22, Revised Statutes, was composed of V.A.C.S.
3 Articles 701-717w. The relevant parts of those
4 provisions were revised in 1999 as Subtitles A and C of
5 Title 9, Government Code, and the revised law is
6 drafted accordingly. In addition, throughout this
7 chapter, the revised law omits references to "as
8 amended" because under Section 311.027, Government
9 Code (Code Construction Act), a reference to a statute
10 applies to all reenactments, revisions, or amendments
11 of that statute unless expressly provided otherwise.

12 Revised Law

13 Sec. 1083.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
14 the time general obligation bonds are issued by the district under
15 Section 1083.201, the board shall impose an ad valorem tax at a rate
16 sufficient to create an interest and sinking fund and 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 75
20 cents on each \$100 valuation of taxable property in the district.
21 (Acts 58th Leg., R.S., Ch. 260, Sec. 7 (part).)

22 Source Law

23 Sec. 7. . . . At the time of the issuance of any
24 such bonds a tax shall be levied by the Board
25 sufficient to create an interest and sinking fund and
26 to pay the interest on and principal of said bonds as
27 same mature, providing such tax together with any
28 other taxes levied for said District shall not exceed
29 seventy-five cents (75¢) on each One Hundred Dollar
30 (\$100) valuation of taxable property in any one
31 year. . . .

32 Revisor's Note

33 Section 7, Chapter 260, Acts of the 58th
34 Legislature, Regular Session, 1963, requires the
35 district to levy a tax to pay the principal of and
36 interest on bonds. The revised law specifies that the
37 tax is an "ad valorem" tax because it is clear from the
38 source law that the tax is a property tax, and "ad

1 valorem" is the term most commonly used to refer to a
2 property tax.

3 Revised Law

4 Sec. 1083.203. GENERAL OBLIGATION BOND ELECTION. (a) The
5 district may issue general obligation bonds only if the bonds are
6 authorized by a majority of the district voters voting at an
7 election held for that purpose.

8 (b) The board shall call the election. The election must be
9 held in accordance with Chapter 1251, Government Code.

10 (c) The bond election order 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 amount of the bonds to be authorized;
- 15 (5) the maximum maturity of the bonds; and
- 16 (6) the maximum interest rate of the bonds. (Acts 58th
17 Leg., R.S., Ch. 260, Sec. 7 (part).)

18 Source Law

19 Sec. 7. . . . No bond shall be issued by such
20 Hospital District . . . until authorized by a majority
21 of the qualified electors of the District who own
22 taxable property therein and who have duly rendered
23 the same for taxation, voting at an election called for
24 such purpose. Such election shall be called by the
25 Board of Directors and held in accordance with the
26 provisions of Chapter 1, Title 22 of the Revised Civil
27 Statutes of Texas, as amended, and except as therein
28 otherwise provided, shall be conducted in accordance
29 with the General Laws of Texas pertaining to
30 elections. . . . The bond election order shall
31 specify the date of the election, the amount of bonds
32 to be authorized, the maximum maturity thereof, the
33 maximum rate of interest they are to bear, the place or
34 places where the election shall be held and the
35 presiding officers thereof.
36 . . .

37 Revisor's Note

38 (1) Section 7, Chapter 260, Acts of the 58th
39 Legislature, Regular Session, 1963, refers to a
40 majority vote of the qualified electors of the
41 district. The revised law omits "qualified" in this
42 context for the reason stated in Revisor's Note (4) to
43 Section 1083.051. The revised law substitutes "voter"

1 for "elector" because the former is the term used in
2 the Election Code.

3 (2) Section 7, Chapter 260, Acts of the 58th
4 Legislature, Regular Session, 1963, refers to electors
5 who "own taxable property therein and who have duly
6 rendered the same for taxation." The revised law omits
7 the quoted language because in Hill v. Stone, 421 U.S.
8 289, 95 S. Ct. 1637 (1975), the United States Supreme
9 Court determined that property ownership as a
10 qualification for voting is an unconstitutional denial
11 of equal protection.

12 (3) Section 7, Chapter 260, Acts of the 58th
13 Legislature, Regular Session, 1963, provides that an
14 election must be "held in accordance with the
15 provisions of Chapter 1, Title 22 of the Revised Civil
16 Statutes of Texas, as amended, and except as therein
17 otherwise provided, shall be conducted in accordance
18 with the General Laws of Texas pertaining to
19 elections." The election provisions of Chapter 1,
20 Title 22, Revised Statutes, are codified as Chapter
21 1251, Government Code, and the revised law is drafted
22 accordingly. The revised law omits the reference to
23 "except as therein otherwise provided" because an
24 exception to the application of the Election Code in
25 Chapter 1251, Government Code (the revision of the
26 election provisions of Chapter 1, Title 22, Revised
27 Statutes), would apply by its own terms. The revised
28 law omits the reference to the "General Laws of Texas
29 pertaining to elections" because Section 1.002,
30 Election Code, provides that the Election Code applies
31 to all elections held in this state.

32 (4) Section 7, Chapter 260, Acts of the 58th
33 Legislature, Regular Session, 1963, requires the
34 district to make provisions for defraying the costs of

1 elections. The revised law omits the provision
2 because it duplicates Section 1.014, Election Code,
3 applicable to the district under Section 1.002 of that
4 code. The omitted law reads:

5 Sec. 7. . . . The District shall
6 make provisions for defraying the costs of
7 all elections called and held under the
8 provisions of this Act. . . .

9 Revised Law

10 Sec. 1083.204. EXECUTION OF GENERAL OBLIGATION BONDS. The
11 board president shall execute the general obligation bonds in the
12 district's name, and the board secretary shall attest the bonds as
13 provided by Chapter 618, Government Code. (Acts 58th Leg., R.S.,
14 Ch. 260, Sec. 7 (part).)

15 Source Law

16 Sec. 7. . . . [Such bonds] . . . shall be
17 executed in the name of the Hospital District and in
18 its behalf by the President of the Board and attested
19 by the Secretary as provided by Article 717j--1,
20 Vernon's Civil Statutes, and

21 Revisor's Note

22 Section 7, Chapter 260, Acts of the 58th
23 Legislature, Regular Session, 1963, refers to Article
24 717j-1, Vernon's Civil Statutes. That statute was
25 codified in 1999 as Chapter 618, Government Code, and
26 the revised law is drafted accordingly.

27 Revised Law

28 Sec. 1083.205. REFUNDING BONDS. (a) The board may, without
29 an election, issue refunding bonds to refund any bonds issued by the
30 district.

31 (b) A refunding bond may be:

32 (1) sold, with the proceeds of the refunding bond
33 applied to the payment of the outstanding bonds; or

34 (2) exchanged wholly or partly for not less than a
35 similar principal amount of the outstanding bonds. (Acts 58th
36 Leg., R.S., Ch. 260, Sec. 7 (part).)

37 Source Law

38 Sec. 7. . . . [No bond shall be issued by such

1 Hospital District] except refunding bonds, [until
2 authorized by a majority of the qualified electors of
3 the District]

4 The bonds of the District may be issued for the
5 purpose of refunding and paying off any bonds
6 theretofore issued by such District. Such refunding
7 bonds may be sold and the proceeds thereof applied to
8 the payment of outstanding bonds, or may be exchanged
9 in whole or in part for not less than a like principal
10 amount of such outstanding bonds

11 Revisor's Note

12 Section 7, Chapter 260, Acts of the 58th
13 Legislature, Regular Session, 1963, provides that
14 refunding bonds must be issued and payments made in the
15 manner specified by Article 717k, Revised Civil
16 Statutes. Article 717k was codified in 1999 as Chapter
17 1207, Government Code. The revised law omits the
18 provision because Chapter 1207, Government Code,
19 applies to the district by its own terms under Section
20 1207.001, Government Code. The omitted law reads:

21 Sec. 7. . . . provided further that
22 if such refunding bonds are to be sold and
23 the proceeds thereof applied to the payment
24 of any such outstanding bonds or other
25 refundable indebtedness same shall be
26 issued and payments made in the manner
27 specified by Article 717k, Revised Civil
28 Statutes of Texas, as amended.

29 Revised Law

30 Sec. 1083.206. BONDS EXEMPT FROM TAXATION. The following
31 are exempt from taxation by this state or a political subdivision of
32 this state:

- 33 (1) bonds issued by the district;
34 (2) the transfer and issuance of the bonds; and
35 (3) profits made in the sale of the bonds. (Acts 58th
36 Leg., R.S., Ch. 260, Sec. 8 (part).)

37 Source Law

38 Sec. 8. . . . any bonds issued by it and their
39 transfer and the issuance therefrom, including any
40 profits made in the sale thereof, shall at all times be
41 free from taxation by the State or any municipality or
42 political subdivision thereof.

43 Revisor's Note
44 (End of Subchapter)

- 45 (1) Section 7, Chapter 260, Acts of the 58th

1 Legislature, Regular Session, 1963, provides that the
2 first bonds issued may not exceed a maximum interest
3 rate of six percent and that refunding bonds must bear
4 interest at the same or a lower rate than the bonds
5 refunded unless a savings is shown. The revised law
6 omits those provisions as impliedly repealed by
7 Section 2(a), Chapter 3, Acts of the 61st Legislature,
8 Regular Session, 1969 (Article 717k-2, Vernon's Texas
9 Civil Statutes), which was revised in 1999 as Section
10 1204.006, Government Code. Section 1204.006(a)
11 permits a public agency, including a hospital
12 district, to issue bonds at any net effective interest
13 rate of 15 percent or less and applies to district
14 bonds under Section 1204.001, Government Code. The
15 omitted law reads:

16 Sec. 7. . . . The first issue of
17 bonds of the District shall not exceed a
18 maximum interest rate of six per cent (6%)
19 per annum. . . . provided that if refunding
20 bonds are to be exchanged for a like amount
21 of said outstanding bonds, such refunding
22 bonds shall bear interest at the same or
23 lower rate than borne by the bonds refunded,
24 unless it is shown mathematically that a
25 saving will result in the total amount of
26 interest to be paid on said refunding bonds;
27 and

28 (2) Section 7, Chapter 260, Acts of the 58th
29 Legislature, Regular Session, 1963, provides that
30 district bonds are subject to the law governing
31 counties that relates to bond approval by the attorney
32 general and registration of the bonds by the
33 comptroller. Section 7 also provides that after
34 approval and registration the bonds are
35 "incontestable." The revised law omits those
36 provisions as superseded by Chapter 1202, Government
37 Code (enacted as Article 3, Chapter 53, Acts of the
38 70th Legislature, 2nd Called Session, 1987). Section
39 1202.003(a), Government Code, requires bonds to be
40 submitted to the attorney general. Section

1 1202.003(b), Government Code, provides for approval of
2 the bonds by the attorney general and requires the
3 attorney general to submit the approved bonds to the
4 comptroller for registration. Section 1202.005,
5 Government Code, requires registration of the bonds by
6 the comptroller. Section 1202.006, Government Code,
7 provides that after approval and registration the
8 bonds are incontestable and binding obligations.
9 Chapter 1202, Government Code, applies to district
10 bonds by application of Section 1202.001, Government
11 Code. The omitted law reads:

12 Sec. 7. . . . [Such bonds] . . .
13 shall be subject to the same requirements in
14 the matter of the approval by the Attorney
15 General of Texas and registration by the
16 Comptroller of Public Accounts of the State
17 of Texas as are by law provided for approval
18 and registration of bonds issued by
19 counties. After approval of any such bonds
20 by the Attorney General and registration by
21 the Comptroller, said bonds shall be
22 incontestable. . . .

23 (3) Section 11, Chapter 260, Acts of the 58th
24 Legislature, Regular Session, 1963, provides that
25 district bonds are authorized investments for certain
26 entities. The revised law omits that provision as
27 unnecessary. As to several of the entities listed,
28 Section 11 has been superseded and impliedly repealed.
29 Investments in securities by banks are regulated by
30 Section 34.101, Finance Code (enacted in 1995 as
31 Section 5.101, Texas Banking Act (Article 342-5.101,
32 Vernon's Texas Civil Statutes)). Investments in
33 securities by savings banks are regulated by Section
34 93.001(c)(10), Finance Code (enacted in 1993 as
35 Section 7.15(10), Texas Savings Bank Act (Article
36 489e, Vernon's Texas Civil Statutes)). Investments in
37 securities by trust companies are regulated by Section
38 184.101, Finance Code (enacted in 1997 as Section
39 5.101, Texas Trust Company Act (Article 342a-5.101,

1 Vernon's Texas Civil Statutes)). Investments in
2 securities by savings and loan associations are
3 regulated by Sections 63.002 and 64.001, Finance Code.
4 As to the remaining entities listed, Section 11 is
5 superseded by Section 1201.041, Government Code
6 (enacted as Section 9, Bond Procedures Act of 1981
7 (Article 717k-6, Vernon's Texas Civil Statutes)).
8 While Section 11 lists "guardians" and Section
9 1201.041 does not, Section 1201.041 includes a
10 "fiduciary" and a guardian is a fiduciary. Section
11 1201.041, Government Code, applies to district bonds
12 by application of Section 1201.002, Government Code.
13 The revised law omits the reference to public funds of
14 this state because it has been superseded by Section
15 404.024, Government Code (enacted in 1985 as Section
16 2.014, Treasury Act (Article 4393-1, Vernon's Texas
17 Civil Statutes)), which governs the investment of
18 state funds. Section 404.024(b)(10), Government Code,
19 authorizes the investment of state funds in
20 obligations of political subdivisions, including
21 hospital districts. The omitted law reads:

22 Sec. 11. All bonds of the District
23 shall be and are hereby declared to be legal
24 and authorized investments of banks,
25 savings banks, trust companies, building
26 and loan associations, savings and loan
27 associations, insurance companies,
28 fiduciaries, trustees, guardians, and
29 sinking funds of cities, towns, villages,
30 counties, school districts, or other
31 political subdivisions of the State of
32 Texas, and for all public funds of the State
33 of Texas or its agencies, including the
34 State Permanent School Fund. . . .

35 (4) Section 11, Chapter 260, Acts of the 58th
36 Legislature, Regular Session, 1963, effectively
37 provides that district bonds may secure deposits of
38 public funds of this state or political subdivisions
39 of this state. The revised law omits the provisions as
40 impliedly repealed by Section 404.0221, Government

1 Code (enacted in 1995), which lists eligible
2 collateral for deposits of state funds by the
3 comptroller, and by Chapter 2257, Government Code
4 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
5 Statutes), which governs eligible collateral for
6 deposits of funds of other public agencies, including
7 political subdivisions. The omitted law reads:

8 Sec. 11. . . . Such bonds shall be
9 eligible to secure deposit of public funds
10 of the State of Texas and public funds of
11 cities, towns, villages, counties, school
12 districts or other political subdivisions
13 or corporations of the State of Texas; and
14 such bonds shall be lawful and sufficient
15 security for said deposits to the extent of
16 their value when accompanied by all
17 unmatured coupons appurtenant thereto.

18 [Sections 1083.207-1083.250 reserved for expansion]

19 SUBCHAPTER F. TAXES

20 Revised Law

21 Sec. 1083.251. IMPOSITION OF AD VALOREM TAX. (a) The
22 district may impose a tax on all property in the district subject to
23 district taxation.

24 (b) The tax may be used:

- 25 (1) to meet the requirements of district bonds; and
26 (2) for the district's maintenance and operating
27 expenses. (Acts 58th Leg., R.S., Ch. 260, Sec. 3 (part).)

28 Source Law

29 Sec. 3. . . . [North Wheeler County Hospital
30 District shall be created] with authority to levy
31 annual taxes . . . [on] . . . all taxable property
32 within such District for the purpose of meeting the
33 requirements of the District's bonds, and its
34 maintenance and operating expenses, and

35 Revised Law

36 Sec. 1083.252. TAX RATE. The district may impose the tax at
37 a rate not to exceed 75 cents on each \$100 valuation of taxable
38 property in the district. (Acts 58th Leg., R.S., Ch. 260, Sec. 3
39 (part).)

40 Source Law

41 Sec. 3. . . . [North Wheeler County Hospital
42 District shall be created with authority to levy

1 annual taxes] at a rate not to exceed seventy-five
2 cents (75¢) on the One Hundred Dollar (\$100) valuation
3 of [all taxable property within such District]

4 Revised Law

5 Sec. 1083.253. TAX ASSESSOR-COLLECTOR. The tax
6 assessor-collector of Wheeler County shall assess and collect taxes
7 imposed by the district. (Acts 58th Leg., R.S., Ch. 260, Sec. 13
8 (part).)

9 Source Law

10 Sec. 13. . . . The Tax Assessor and/or
11 Collector of Wheeler County shall be charged and
12 required to accomplish the assessment and collection
13 of all taxes levied by and on behalf of the District
14 and

15 Revisor's Note

16 (1) Section 13, Chapter 260, Acts of the 58th
17 Legislature, Regular Session, 1963, provides that tax
18 revenue shall be deposited in the district's
19 depository. The revised law omits the provision
20 because Section 31.10, Tax Code, requires the tax
21 assessor-collector of a taxing unit to deposit taxes
22 collected in the unit's depository. The omitted law
23 reads:

24 Sec. 13. . . . [The Tax Assessor
25 and/or Collector of Wheeler County shall be
26 charged and required] . . . to promptly pay
27 over the same to the District
28 Depository. . . .

29 (2) Section 13, Chapter 260, Acts of the 58th
30 Legislature, Regular Session, 1963, provides for
31 compensating the county tax assessor-collector for the
32 assessment and collection of district taxes. The
33 revised law omits that provision because it was
34 repealed by Section 6(b), Chapter 841, Acts of the 66th
35 Legislature, Regular Session, 1979, which repealed all
36 "general, local, and special laws" that conflicted
37 with that act. The 1979 act enacted the Property Tax
38 Code (Title 1, Tax Code), a comprehensive, substantive
39 codification of all property tax law. Section
40 6.27(b), Tax Code, provides for the compensation of a

1 county tax assessor-collector assessing and
2 collecting taxes for another taxing unit. The omitted
3 law reads:

4 Sec. 13. . . . For his services the
5 County Tax Assessor-Collector shall be
6 allowed such compensation as may be
7 provided for by contract with the District
8 but not to exceed the amount allowed for
9 assessment and collection of County taxes.
10 Provided further that the amount allowed
11 for collection shall not exceed one per cent
12 (1%) of the amounts collected as may be
13 determined by the Board of Directors but in
14 no event in excess of Two Thousand, Five
15 Hundred Dollars (\$2,500) for any one (1)
16 fiscal year. . . .

17 (3) Section 13, Chapter 260, Acts of the 58th
18 Legislature, Regular Session, 1963, provides that the
19 bond of the county tax assessor-collector is security
20 for the performance of district duties unless the
21 board determines that an additional bond is necessary.
22 The revised law omits that provision because it
23 duplicates Section 6.29(b), Tax Code, which authorizes
24 a taxing unit for which the county tax
25 assessor-collector collects a tax to require that
26 collector to post an additional bond. The omitted law
27 reads:

28 Sec. 13. . . . The bond of the
29 County Tax Assessor-Collector shall stand
30 as security for the proper performance of
31 his duties as Assessor-Collector of the
32 District, or, if in the judgment of the
33 District Board of Directors, it is
34 necessary that additional bond payable to
35 the District may be required. . . .

36 (4) Section 13, Chapter 260, Acts of the 58th
37 Legislature, Regular Session, 1963, provides that the
38 county tax assessor-collector may act in accordance
39 with state law relating to the assessment, collection,
40 and enforcement of state and county taxes. The revised
41 law omits that provision as unnecessary. The state law
42 relating to the assessment, collection, and
43 enforcement of all ad valorem taxes is Title 1, Tax
44 Code. Section 1.02, Tax Code, requires all taxing

1 units of government to administer the assessment,
2 collection, and enforcement of taxes in conformity
3 with that title. The omitted law reads:

4 Sec. 13. . . . In all matters
5 pertaining to the assessment, collection
6 and enforcement of taxes for the District,
7 the County Tax Assessor-Collector shall be
8 authorized to act in all respects according
9 to the laws of the State of Texas relating
10 to State and County taxes.

11 Revisor's Note
12 (End of Subchapter)

13 Section 13, Chapter 260, Acts of the 58th
14 Legislature, Regular Session, 1963, requires the
15 district to impose taxes in a certain manner. The
16 revised law omits that provision because it was
17 repealed by Section 6(b), Chapter 841, Acts of the 66th
18 Legislature, Regular Session, 1979. See Revisor's Note
19 (2) to Section 1083.253. Title 1, Tax Code, provides
20 the exclusive procedures for the imposition and
21 collection of property taxes by a taxing unit,
22 including a hospital district. The omitted law reads:

23 Sec. 13. The District shall use
24 Wheeler County, Texas, tax values and
25 Wheeler County, Texas, tax rolls. District
26 taxes shall be assessed and collected in the
27 same manner as provided by law with relation
28 to County taxes. . . .

29 Revisor's Note
30 (End of Chapter)

31 (1) Section 2, Chapter 260, Acts of the 58th
32 Legislature, Regular Session, 1963, provides that
33 Wheeler County or a municipality in the county does not
34 own any hospital facilities before the district's
35 creation and that the district does not assume any debt
36 or take over any properties on creation. The revised
37 law omits those provisions as executed. The omitted
38 law reads:

39 Sec. 2. . . . There being no
40 hospital, hospital system or hospital
41 facilities of any nature presently owned by
42 Wheeler County or any city or town therein
43 no provisions are made herein for the

1 transfer of properties or equipment or the
2 assumption of any outstanding indebtedness
3 incurred by them for hospital purposes such
4 as is permitted by the aforementioned
5 constitutional provision in the case of
6 existing county, city or town hospitals,
7 hospital systems or hospital facilities.

8 (2) Section 19, Chapter 260, Acts of the 58th
9 Legislature, Regular Session, 1963, provides that the
10 act is severable. The revised law omits that provision
11 because it duplicates Section 311.032, Government Code
12 (Code Construction Act), which provides that a
13 provision of a statute is severable from each other
14 provision of the statute that can be given effect. The
15 omitted law reads:

16 Sec. 19. If any of the provisions of
17 this Act or the application thereof to any
18 person or circumstances is held invalid,
19 such invalidity shall not affect other
20 provisions or applications of the Act which
21 can be given effect without the invalid
22 provision or application, and to this end
23 the provisions of this Act are declared to
24 be severable.

25 (3) Section 20, Chapter 260, Acts of the 58th
26 Legislature, Regular Session, 1963, provides that
27 public notice of enactment of the statute was provided
28 in a manner that satisfies the requirements of the
29 Texas Constitution. The revised law omits that
30 section as executed. The omitted law reads:

31 Sec. 20. Proof of Publication of the
32 notice required in the enactment hereof
33 under the provisions of Section 9 of Article
34 IX of the Texas Constitution has been made
35 in the manner and form provided by law
36 pertaining to the enactment of local and
37 special laws and such notice is hereby found
38 and declared proper and sufficient to
39 satisfy such requirement.

40 CHAPTER 1084. PALO PINTO COUNTY

41 HOSPITAL DISTRICT

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16 CHAPTER 1084. PALO PINTO COUNTY

17 HOSPITAL DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Revised Law

20 Sec. 1084.001. 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 Palo Pinto County Hospital

25 District. (New.)

26 Revisor's Note

27 The definitions of "board," "director," and

28 "district" are added to the revised law for drafting

29 convenience and to eliminate frequent, unnecessary

30 repetition of the substance of the definitions.

31 Revised Law

32 Sec. 1084.002. AUTHORITY FOR OPERATION. The Palo Pinto

33 County Hospital District operates in accordance with Section 9,

34 Article IX, Texas Constitution. (Acts 59th Leg., R.S., Ch. 84, Sec.

1 1 (part).)

2 Source Law

3 Sec. 1. In accordance with the provisions of
4 Article IX, Section 9, Constitution of the State of
5 Texas, this Act shall be operative so as to authorize
6 the creation, establishment, maintenance and
7 operation of a hospital district within the State of
8 Texas, to be known as the Palo Pinto County Hospital
9 District

10 Revisor's Note

11 Section 1, Chapter 84, Acts of the 59th
12 Legislature, Regular Session, 1965, authorizes the
13 "creation, establishment, maintenance and operation"
14 of the district. The revised law omits "creation" and
15 "establishment" as executed. The revised law omits
16 "maintenance" because, in this context, the meaning of
17 that term is included in the meaning of "operation."

18 Revised Law

19 Sec. 1084.003. POLITICAL SUBDIVISION. The district is a
20 political subdivision of this state. (Acts 59th Leg., R.S., Ch. 84,
21 Sec. 16 (part).)

22 Source Law

23 Sec. 16. The hospital district created under
24 the provisions of this Act shall be and is declared to
25 be a political subdivision of the State of Texas, and
26

27 Revised Law

28 Sec. 1084.004. DISTRICT TERRITORY. The boundaries of the
29 district are coextensive with the boundaries of Palo Pinto County,
30 Texas. (Acts 59th Leg., R.S., Ch. 84, Sec. 1 (part).)

31 Source Law

32 Sec. 1. . . . with boundaries coextensive with
33 the boundaries of Palo Pinto County, Texas.

34 Revised Law

35 Sec. 1084.005. CORRECTION OF INVALID PROCEDURES. If a
36 court holds that any procedure under this chapter violates the
37 constitution of this state or of the United States, the district by
38 resolution may provide an alternative procedure that conforms with
39 the constitution. (Acts 59th Leg., R.S., Ch. 84, Sec. 17 (part).)

1 the Commissioners Court upon its own motion
2 or upon receipt by it of a petition of fifty
3 (50) resident qualified property taxpaying
4 voters.

5 The order calling the election shall
6 specify the time and place or places of
7 holding same, the form of ballot and the
8 presiding judge for each voting place. At
9 such election there shall be submitted to
10 the qualified property taxpaying electors
11 the proposition of whether or not Palo Pinto
12 County Hospital District shall be created
13 with authority to levy annual taxes at a
14 rate not to exceed Seventy-Five Cents (75¢)
15 on the One Hundred Dollar (\$100) valuation
16 of all taxable property within such
17 district for the purpose of meeting the
18 requirements of the district's bonds and its
19 maintenance and operating expenses, and a
20 majority of the qualified property
21 taxpaying electors of the district voting
22 in said election in favor of the proposition
23 shall be sufficient for its adoption. The
24 ballots shall have printed thereon the
25 following:

26 "FOR the creation of the Palo Pinto
27 County Hospital District, and providing for
28 the levy of annual taxes not to exceed
29 Seventy-Five Cents (75¢) on the One Hundred
30 Dollar (\$100) valuation of all taxable
31 property within such District."

32 "AGAINST the creation of the Palo
33 Pinto County Hospital District, and
34 providing for the levy of annual taxes not
35 to exceed Seventy-Five Cents (75¢) on the
36 One Hundred Dollar (\$100) valuation of all
37 taxable property within such District."

38 Notice of election shall be given by
39 publishing a substantial copy of the
40 election order in a newspaper of general
41 circulation in Palo Pinto County Hospital
42 District once a week for two (2) consecutive
43 weeks, the first publication to appear at
44 least fourteen (14) days prior to the date
45 established for the election.

46 The failure of any such election shall
47 not operate to prohibit the calling and
48 holding of subsequent elections for the
49 same purpose by the Commissioners Court
50 upon its own motion or upon receipt by it of
51 a petition of fifty (50) resident qualified
52 property taxpaying voters.

53 Sec. 3. Within ten (10) days after
54 such election is held the Commissioners
55 Court shall convene and canvass the returns
56 of the election, and if a majority of the
57 qualified property taxpaying electors
58 voting at said election voted in favor of
59 the proposition, they shall so find and
60 declare the hospital district established
61 and created.

62 [Sections 1084.006-1084.050 reserved for expansion]

63 SUBCHAPTER B. DISTRICT ADMINISTRATION

64 Revised Law

65 Sec. 1084.051. BOARD ELECTION; TERM. (a) The district is

1 governed by a board of seven directors as follows:

2 (1) six directors elected by place; and

3 (2) the chief of staff elected by the medical staff
4 under Section 1084.063.

5 (b) Unless four-year terms are established under Section
6 285.081, Health and Safety Code, the directors elected to the board
7 serve staggered two-year terms as follows:

8 (1) directors for places 1, 2, and 3 are elected on the
9 uniform election date in May of each odd-numbered year; and

10 (2) directors for places 4, 5, and 6 are elected on the
11 uniform election date in May of each even-numbered year. (Acts 59th
12 Leg., R.S., Ch. 84, Secs. 4(a) (part), (d) (part).)

13 Source Law

14 Sec. 4. (a) The District shall be governed,
15 managed and controlled by a Board of Directors
16 composed of seven (7) members, [The Chief of
17 Staff of the hospital system owned and operated by the
18 District shall be elected by the medical staff thereof
19 not less frequently than every two (2) years,] and one
20 position on the Board of Directors of said District
21 shall at all times be occupied by the Chief of Staff
22 thus elected. The other six (6) members of the Board
23 of Directors shall be elected by place. Directors for
24 places 1, 2, and 3 are elected in odd-numbered years
25 and directors for places 4, 5, and 6 are elected in
26 even-numbered years. . . . Members elected to the
27 Board of Directors shall serve for a period of two (2)
28 years and until their successors have been duly
29 elected or appointed and qualified. . . .

30 (d) A regular election for the election of the
31 appropriate number of successor directors shall be
32 held on the first Saturday in May of each year and
33

34 Revisor's Note

35 (1) Section 4(a), Chapter 84, Acts of the 59th
36 Legislature, Regular Session, 1965, provides that the
37 district shall be "governed, managed and controlled"
38 by seven board members. The revised law omits
39 "managed" and "controlled" because, in this context,
40 the terms are included in the meaning of "governed."

41 (2) Section 4(a), Chapter 84, Acts of the 59th
42 Legislature, Regular Session, 1965, provides that the
43 directors elected to the board serve staggered

1 two-year terms. Section 285.081, Health and Safety
2 Code, applicable to this hospital district, provides a
3 mechanism by which the governing board of a hospital
4 district, on its own motion, may order that the members
5 are to be elected in even-numbered years to serve
6 staggered four-year terms. The revised law is drafted
7 accordingly and adds a reference to Section 285.081,
8 Health and Safety Code, for the convenience of the
9 reader.

10 (3) Section 4(a), Chapter 84, Acts of the 59th
11 Legislature, Regular Session, 1965, provides that the
12 directors serve "until their successors have been duly
13 elected or appointed and qualified." The revised law
14 omits that provision because it duplicates Section 17,
15 Article XVI, Texas Constitution, which provides that
16 an officer in this state is to continue to perform the
17 officer's official duties until a successor has
18 qualified.

19 (4) Section 4(a), Chapter 84, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that the
21 candidate receiving the highest number of votes for
22 each position is elected. The revised law omits that
23 provision because it duplicates Section 2.001,
24 Election Code, which provides that, except as
25 otherwise provided by law, to be elected to a public
26 office, a candidate must receive more votes than any
27 other candidate for the office. The omitted law reads:

28 (a) . . . The candidate for a place
29 who receives the highest number of votes for
30 election to a place is a director for the
31 District. . . .

32 (5) Section 4(d), Chapter 84, Acts of the 59th
33 Legislature, Regular Session, 1965, was amended in
34 2001 to require board elections on the "first Saturday
35 in May." From 1987 to 2003, Section 41.001, Election
36 Code, provided for a uniform election date for all

1 political subdivisions on the first Saturday in May.
2 In Chapter 1315, Acts of the 78th Legislature, Regular
3 Session, 2003, the legislature amended Section 41.001
4 by moving the uniform election date in May to the third
5 Saturday. In Chapter 1, Acts of the 78th Legislature,
6 3rd Called Session, 2003, the legislature amended
7 Section 41.001 by moving the uniform election date in
8 May back to the first Saturday. In Chapter 471, Acts
9 of the 79th Legislature, Regular Session, 2005, the
10 legislature amended Section 41.001 by moving the
11 uniform election date in May to the second Saturday.
12 The revised law substitutes "uniform election date in
13 May" for "first Saturday in May" to reflect these
14 changes while preserving as closely as possible the
15 legislative intent expressed in the 2001 amendment to
16 Section 4(d) that the election be held on the first
17 Saturday in May, which was at that time the uniform
18 election date in May.

19 (6) Section 4(d), Chapter 84, Acts of the 59th
20 Legislature, Regular Session, 1965, provides that the
21 board shall order the election of directors in
22 accordance with Chapter 3, Election Code. The revised
23 law omits that provision because Chapter 3 applies to
24 the district by its own terms under Section 1.002,
25 Election Code. The omitted law reads:

26 (d) [A regular election for the
27 election of . . . directors . . .] shall be
28 ordered by the Board of Directors in
29 accordance with the applicable provisions
30 of Chapter 3, Election Code. . . .

31 (7) Sections 4 and 5, Chapter 259, Acts of the
32 68th Legislature, Regular Session, 1983, provide for
33 the election place designation of elected directors
34 and for the continuation of their terms to accomplish
35 the change in the manner in which directors are
36 elected. The revised law omits those provisions as

1 executed. The omitted law reads:

2 Sec. 4. After the 1983 election of
3 directors, the board of directors of the
4 Palo Pinto County Hospital District shall
5 adopt an order designating one director
6 elected at that election to serve from place
7 1, another director elected at that
8 election to serve from place 2, and the
9 third director elected at that election to
10 serve from place 3 and designating one
11 director elected at the 1982 election of
12 directors to serve from place 4, another
13 director elected at the 1982 election to
14 serve from place 5, and the third director
15 elected at the 1982 election to serve from
16 place 6.

17 Sec. 5. (a) The provisions of
18 Section 4, Chapter 84, Acts of the 59th
19 Legislature, Regular Session, 1965, that
20 specify that six members of the board of
21 directors shall be elected by place, that
22 the candidate for a place receiving the
23 highest number of votes for election to that
24 place is a director for the district, and
25 that the petition of a candidate for
26 director must specify the place for which
27 the applicant is to be a candidate take
28 effect January 1, 1984.

29 (b) The provisions of Section 4,
30 Chapter 84, Acts of the 59th Legislature,
31 Regular Session, 1965, that provide for the
32 election of six directors at large apply to
33 an election of directors held before
34 January 1, 1984. For that purpose, those
35 provisions are continued in effect as they
36 existed before amendment by this Act.

37 Revised Law

38 Sec. 1084.052. NOTICE OF ELECTION. Notice of each
39 directors' election shall be published in a newspaper of general
40 circulation in Palo Pinto County in accordance with Chapter 4,
41 Election Code. (Acts 59th Leg., R.S., Ch. 84, Sec. 4(d) (part).)

42 Source Law

43 (d) . . . Notice of each election of directors
44 shall be published in a newspaper of general
45 circulation in the county in accordance with Chapter
46 4, Election Code. . . .

47 Revisor's Note

48 Section 4(d), Chapter 84, Acts of the 59th
49 Legislature, Regular Session, 1965, requires notice of
50 a directors' election to be published in "the county."
51 Throughout this chapter, the revised law substitutes
52 "Palo Pinto County" for "the county" or "the county in
53 which the district is located" because Palo Pinto

1 County is the county in which the district is located.

2 Revised Law

3 Sec. 1084.053. QUALIFICATIONS FOR OFFICE. (a) A person may
4 not be elected or appointed to an elected position on the board
5 unless the person is:

6 (1) a resident of the district; and

7 (2) a qualified voter.

8 (b) In addition to the requirements prescribed by
9 Subsection (a), a person is not eligible to serve as a director if
10 the person:

11 (1) directly or indirectly has an ownership or
12 investment interest in a health care facility located in Palo Pinto
13 County; or

14 (2) directly or in conjunction with another person or
15 entity has an ownership interest in another business or entity
16 that:

17 (A) is related to health care; and

18 (B) provides a good or service to the area served
19 by the district that is the same as or substantially similar to a
20 good or service provided by the district.

21 (c) Subsection (b) does not apply to:

22 (1) an ownership or investment interest in publicly
23 available shares of a registered investment company, such as a
24 mutual fund, that owns publicly traded equity securities or debt
25 obligations issued by:

26 (A) a health care facility;

27 (B) a business or entity described by Subsection
28 (b); or

29 (C) an entity that owns the health care facility,
30 business, or entity; or

31 (2) a physician's ownership interest in the
32 physician's own medical practice. (Acts 59th Leg., R.S., Ch. 84,
33 Secs. 4(a) (part), (a-1), (a-2).)

1 Source Law

2 (a) . . . No person shall be appointed or
3 elected to the elective positions on the Board of
4 Directors of said Hospital District unless the person
5 is a resident of the District and a qualified voter.

6 (a-1) In addition to the requirements
7 prescribed by Subsection (a) of this section, a person
8 is not eligible to serve on the Board of Directors if
9 the person:

10 (1) has an ownership or investment
11 interest, directly or indirectly, in a health care
12 facility located in Palo Pinto County; or

13 (2) has an ownership interest, directly or
14 in conjunction with another person or entity, in
15 another business or entity related to health care that
16 provides a good or service to the area served by the
17 District that is the same as or substantially similar
18 to a good or service provided by the District.

19 (a-2) Subsection (a-1) of this section does not
20 apply to:

21 (1) an ownership or investment interest in
22 publicly available shares of a registered investment
23 company, such as a mutual fund, that owns publicly
24 traded equity securities or debt obligations issued by
25 a health care facility or another business or entity
26 related to health care described by Subsection (a-1)
27 of this section or by an entity that owns the health
28 care facility, business, or entity; or

29 (2) a physician's ownership interest in
30 the physician's own medical practice.

31 Revised Law

32 Sec. 1084.054. GROUNDS FOR REMOVAL. (a) It is a ground for
33 removal from the board that a director violates a prohibition
34 established by Section 1084.053(b). A director may be removed for
35 the violation in accordance with the procedures provided by
36 Subchapter B, Chapter 87, Local Government Code, for removing a
37 county official.

38 (b) The validity of a board action is not affected by the
39 fact that the action is taken when a ground for removal of a
40 director exists. (Acts 59th Leg., R.S., Ch. 84, Secs. 4(a-3),
41 (a-4), (a-5).)

42 Source Law

43 (a-3) It is a ground for removal from the Board
44 of Directors that a member violates a prohibition
45 established by Subsection (a-1) of this section.

46 (a-4) The validity of an action of the Board of
47 Directors is not affected by the fact that the action
48 is taken when a ground for removal of a member of the
49 Board of Directors exists.

50 (a-5) A member of the Board of Directors may be
51 removed for a ground provided by Subsection (a-3) of
52 this section, using the procedures provided by
53 Subchapter B, Chapter 87, Local Government Code, for
54 removing a county official.

1 Revised Law

2 Sec. 1084.055. BOND; RECORD OF BOND AND OATH OR
3 AFFIRMATION. (a) Each director shall execute a good and sufficient
4 bond for \$5,000 that is:

5 (1) payable to the district; and

6 (2) conditioned on the faithful performance of the
7 director's duties.

8 (b) Each director's bond and the constitutional oath or
9 affirmation of office shall be deposited with the district's
10 depository bank for safekeeping. (Acts 59th Leg., R.S., Ch. 84,
11 Sec. 4(b) (part).)

12 Source Law

13 (b) Each member of the Board of Directors . . .
14 shall execute a good and sufficient bond for \$5,000
15 payable to said District conditioned upon the faithful
16 performance of the member's duties, and such oaths and
17 bonds shall be deposited with the depository bank of
18 the District for safekeeping.

19 Revisor's Note

20 Section 4(b), Chapter 84, Acts of the 59th
21 Legislature, Regular Session, 1965, requires each
22 director to take the constitutional oath of office.
23 The revised law omits that provision because Section
24 1, Article XVI, Texas Constitution, requires all
25 officers to take the oath (or affirmation) before
26 assuming office. Additionally, the revised law
27 provides for the deposit of the constitutional
28 affirmation, as well as the constitutional oath,
29 because Section 1, Article XVI, Texas Constitution,
30 permits an officer in this state to take either the
31 constitutional oath or affirmation. The omitted law
32 reads:

33 (b) [Each member of the Board of
34 Directors] shall qualify by executing the
35 Constitutional Oath of Office and

36 Revised Law

37 Sec. 1084.056. BOARD VACANCY. (a) If a vacancy occurs in
38 the office of elected director, the remaining directors by majority

1 vote shall appoint a director for the 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 of the elected positions. If
5 the remaining directors do not call the election, a district court,
6 on application of a district voter or taxpayer, may order the
7 directors to hold the election. (Acts 59th Leg., R.S., Ch. 84, Sec.
8 4(c) (part).)

9 Source Law

10 (c) . . . All vacancies in the elective
11 positions of directors shall be filled for the
12 unexpired term by a majority vote of the remainder of
13 the Board of Directors, and those appointees shall
14 hold office for the unexpired terms for which they were
15 appointed. In the event the number of directors shall
16 be reduced to less than four (4) for any reason, the
17 remaining directors shall immediately call a special
18 election to fill the elective positions which are
19 vacant, and upon failure to do so a district court may,
20 upon application of any voter or taxpayer of the
21 District, issue a mandate requiring that such election
22 be ordered by the remaining directors.

23 Revised Law

24 Sec. 1084.057. DIRECTOR RIGHTS AND RESPONSIBILITIES. All
25 directors have the same rights and responsibilities with regard to
26 voting and other matters. (Acts 59th Leg., R.S., Ch. 84, Sec. 4(a)
27 (part).)

28 Source Law

29 (a) . . . [Board of Directors . . .] all of whom
30 shall have the same rights and responsibilities with
31 respect to voting and all other matters. . . .

32 Revised Law

33 Sec. 1084.058. OFFICERS. (a) The board shall elect a
34 president, vice president, and secretary from among its members.

35 (b) Each officer of the board serves for a term of one year
36 and may serve successive terms. (Acts 59th Leg., R.S., Ch. 84, Sec.
37 4(c) (part).)

38 Source Law

39 (c) The Board of Directors shall organize by
40 electing one of their number as president, one of their
41 number as vice-president, and one of their number as
42 secretary. Each officer shall serve for a term of one
43 year and may serve successive terms. . . .

1 Revised Law

2 Sec. 1084.059. COMPENSATION; EXPENSES. A director serves
3 without compensation but may be reimbursed for actual expenses
4 incurred in the performance of official duties on approval of the
5 expenses by the entire board as reported in the board minutes. (Acts
6 59th Leg., R.S., Ch. 84, Sec. 4(e).)

7 Source Law

8 (e) All members of the Board of Directors shall
9 serve without compensation but may be reimbursed for
10 actual expenses incurred in the performance of their
11 official duties upon the approval of such expenses by
12 the entire Board of Directors as reported in the
13 minutes of the board.

14 Revised Law

15 Sec. 1084.060. VOTING REQUIREMENT. A concurrence of four
16 directors is sufficient in any matter relating to district
17 business. (Acts 59th Leg., R.S., Ch. 84, Sec. 4(c) (part).)

18 Source Law

19 (c) . . . [members of the Board of Directors]
20 . . . a concurrence of four (4) members shall be
21 sufficient in all matters pertaining to the business
22 of the District. . . .

23 Revisor's Note

24 Section 4(c), Chapter 84, Acts of the 59th
25 Legislature, Regular Session, 1965, provides that four
26 directors constitute a quorum. The revised law omits
27 that provision because it duplicates Section 311.013,
28 Government Code (Code Construction Act), which
29 provides that a quorum of a public body is a majority
30 of the number of members fixed by statute. The omitted
31 law reads:

32 (c) . . . Any four (4) members of the
33 Board of Directors shall constitute a
34 quorum and

35 Revised Law

36 Sec. 1084.061. DISTRICT ADMINISTRATOR; ASSISTANT
37 ADMINISTRATOR. (a) The board may appoint a qualified person as
38 district administrator.

39 (b) The board may appoint an assistant administrator.

1 (c) The district administrator and any assistant
2 administrator serve at the will of the board and are entitled to the
3 compensation determined by the board.

4 (d) On assuming the duties of district administrator, the
5 administrator shall execute a bond payable to the district in an
6 amount set by the board of not less than \$5,000 that:

7 (1) is conditioned on the administrator performing the
8 administrator's duties; and

9 (2) contains other conditions the board may require.

10 (e) The board may pay for the bond with district money.
11 (Acts 59th Leg., R.S., Ch. 84, Sec. 7(b) (part).)

12 Source Law

13 (b) The board of directors may appoint a
14 qualified person to be known as the administrator of
15 the hospital district and may in its discretion
16 appoint an assistant to the administrator. The
17 administrator and assistant administrator, if any,
18 serve at the will of the board and receive compensation
19 as may be fixed by the board. The administrator shall,
20 on assuming the administrator's duties, execute a bond
21 payable to the hospital district in an amount of not
22 less than \$5,000 as determined by the board,
23 conditioned on the administrator performing the
24 administrator's required duties and containing other
25 conditions the board requires. The board may pay for
26 the bond with district funds. . . .

27 Revised Law

28 Sec. 1084.062. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
29 Subject to any limitations prescribed by the board, the district
30 administrator shall:

31 (1) supervise the work and activities of the district;
32 and

33 (2) direct the affairs of the district. (Acts 59th
34 Leg., R.S., Ch. 84, Sec. 7(b) (part).)

35 Source Law

36 (b) . . . The administrator shall supervise all
37 the work and activities of the district and shall have
38 general direction of the affairs of the district,
39 subject to any limitations the board may
40 prescribe. . . .

41 Revised Law

42 Sec. 1084.063. ELECTION OF CHIEF OF STAFF. At least once
43 every two years, the medical staff of the hospital system owned and

1 operated by the district shall elect a chief of staff. (Acts 59th
2 Leg., R.S., Ch. 84, Sec. 4(a) (part).)

3 Source Law

4 (a) . . . The Chief of Staff of the hospital
5 system owned and operated by the District shall be
6 elected by the medical staff thereof not less
7 frequently than every two (2) years,

8 Revised Law

9 Sec. 1084.064. APPOINTMENT AND RECRUITMENT OF STAFF AND
10 EMPLOYEES. (a) The board may provide that the district
11 administrator has the authority to employ or appoint to the staff
12 doctors, nurses, technicians, and any other employees as necessary
13 for the efficient operation of the district.

14 (b) The board may spend district money, enter into
15 agreements, and take other necessary action to recruit physicians
16 and other persons to serve as medical staff members or district
17 employees, including:

18 (1) advertising and marketing;

19 (2) paying travel, recruitment, and relocation
20 expenses;

21 (3) providing a loan or scholarship to a physician or a
22 person who:

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

25 (B) contractually agrees to become a district
26 employee or medical staff member; or

27 (4) paying the tuition or other expenses of a
28 full-time medical student or other student in a health occupation
29 who:

30 (A) is enrolled in and is in good standing at an
31 accredited medical school, college, or university; and

32 (B) contractually agrees to become a district
33 employee or independent contractor in return for that assistance.

34 (Acts 59th Leg., R.S., Ch. 84, Secs. 7(b) (part), (g).)

35 Source Law

36 (b) . . . The board of directors may provide

1 that the administrator shall have the authority to
2 employ or appoint to the staff doctors, technicians,
3 nurses, and other employees of every kind and
4 character as necessary for the efficient operation of
5 the district.

6 (g) The board of directors may spend district
7 funds, enter into agreements, and take other necessary
8 action to recruit physicians and other persons to
9 serve as medical staff members or employees of the
10 district, including:

11 (1) advertising and marketing;
12 (2) paying travel, recruitment, and
13 relocation expenses;

14 (3) providing a loan or scholarship to a
15 physician or a person currently enrolled in health
16 care education courses at an institution of higher
17 education who contractually agrees to become a
18 district employee or medical staff member; or

19 (4) contracting with one or more full-time
20 medical students or other students in a health
21 occupation, each of whom shall be enrolled in and in
22 good standing at an accredited medical school,
23 college, or university, to pay the student's tuition or
24 other expenses in consideration of the student's
25 agreement to serve as an employee or independent
26 contractor for the district.

27 Revised Law

28 Sec. 1084.065. PERSONNEL CONTRACTS. (a) The board may
29 contract to provide administrative and other personnel for the
30 operation of the hospital facilities.

31 (b) The term of a contract may not exceed 25 years. (Acts
32 59th Leg., R.S., Ch. 84, Sec. 7(e) (part).)

33 Source Law

34 (e) The board of directors may enter into a
35 contract or contracts to provide administrative and
36 other personnel for the operation of the hospital
37 facilities. The term of the contract may not exceed 25
38 years. . . .

39 Revised Law

40 Sec. 1084.066. EDUCATIONAL PROGRAMS; COURSES. The board
41 may provide or contract for the provision of educational programs
42 or courses for district employees and medical staff. (Acts 59th
43 Leg., R.S., Ch. 84, Sec. 7(i).)

44 Source Law

45 (i) The board of directors may provide or
46 contract for the provision of educational programs or
47 courses for employees and medical staff of the
48 district.

49 Revised Law

50 Sec. 1084.067. RETIREMENT BENEFITS. The board may provide

1 retirement benefits for district employees by:

2 (1) establishing or administering a retirement
3 program; or

4 (2) participating in a statewide retirement system in
5 which the district is eligible to participate. (Acts 59th Leg.,
6 R.S., Ch. 84, Sec. 7(f).)

7 Source Law

8 (f) The board of directors may provide
9 retirement benefits for the employees of the district
10 by establishing or administering a retirement program
11 or electing to participate in any statewide retirement
12 system in which the district is eligible to
13 participate.

14 Revised Law

15 Sec. 1084.068. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
16 Except as provided by Section 1084.055, 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 59th Leg., R.S., Ch. 84, Sec. 7(1).)

22 Source Law

23 (1) All books, records, accounts, notices and
24 minutes and all other matters of the district and the
25 operation of its facilities shall, except as herein
26 provided, be maintained at the office of the district
27 and there be open to public inspection at all
28 reasonable hours.

29 Revisor's Note

30 Section 7(1), Chapter 84, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that the
32 records shall be maintained at the district office
33 "except as herein provided." For the convenience of
34 the reader, the revised law substitutes a reference to
35 Section 1084.055, which revises Section 4(b), Chapter
36 84, and is the only exception provided in Chapter 84.

37 Revisor's Note
38 (End of Subchapter)

39 Section 4(d), Chapter 84, Acts of the 59th
40 Legislature, Regular Session, 1965, provides that a

1 person must file a ballot application with the board
2 secretary to be a candidate for director in accordance
3 with Chapter 144, Election Code, and that the
4 application must specify the place for which the
5 applicant is to be a candidate. The revised law omits
6 the reference to Chapter 144, Election Code, because
7 that chapter applies to the district under Section
8 1.002, Election Code, which provides that the Election
9 Code applies to all elections held in this state. The
10 revised law omits the requirement that the person
11 specify the place because it duplicates Section
12 141.031(a)(4)(C), Election Code, which requires a
13 candidate to state on the ballot application the
14 office sought by the candidate, including any place
15 number or other distinguishing number. The omitted
16 law reads:

17 (d) . . . Any person desiring the
18 person's name to be printed on the ballot as
19 a candidate for elective director shall
20 file an application with the secretary of
21 the Board of Directors of the District in
22 accordance with Chapter 144, Election Code.
23 The application must specify the place for
24 which the applicant is to be a candidate.

25 [Sections 1084.069-1084.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Revised Law

28 Sec. 1084.101. DISTRICT RESPONSIBILITY. The district has
29 full responsibility for providing medical and hospital care for the
30 district's needy and indigent residents. (Acts 59th Leg., R.S.,
31 Ch. 84, Secs. 2 (part), 12 (part).)

32 Source Law

33 Sec. 2. That said district hereby provided for
34 shall assume full responsibility for providing medical
35 and hospital care for the needy residing within the
36 district;

37 Sec. 12. . . . such hospital district shall
38 assume full responsibility for the furnishing of
39 medical and hospital care for the needy and indigent
40 persons residing in said hospital district from the
41 date that taxes are collected for the hospital
42 district.

1 Revisor's Note

2 Sections 2 and 12, Chapter 84, Acts of the 59th
3 Legislature, Regular Session, 1965, provide that the
4 district "shall assume" full responsibility for
5 providing medical and hospital care for the district's
6 "needy" residents, and Section 12 provides that the
7 district shall assume that responsibility "from the
8 date that taxes are collected for the hospital
9 district." The revised law substitutes "has" for
10 "shall assume" because the duty to assume the
11 responsibility is executed. The revised law omits
12 "from the date that taxes are collected for the
13 hospital district" as executed.

14 Revised Law

15 Sec. 1084.102. RESTRICTION ON COUNTY OR MUNICIPALITY
16 TAXATION. Palo Pinto County or a municipality in the district may
17 not impose a tax on property in the district for hospital purposes.
18 (Acts 59th Leg., R.S., Ch. 84, Sec. 12 (part).)

19 Source Law

20 Sec. 12. Except as herein provided, neither
21 Palo Pinto County, nor any city or town within the
22 hospital district, shall levy any tax against any
23 property within the hospital district for hospital
24 purposes; and

25 Revisor's Note

26 (1) Section 12, Chapter 84, Acts of the 59th
27 Legislature, Regular Session, 1965, states that
28 "[e]xcept as herein provided," certain political
29 subdivisions may not levy a tax for hospital purposes.
30 The revised law omits the quoted language because the
31 act does not provide an exception. In addition,
32 throughout this chapter, the revised law substitutes
33 "impose" for "levy" because, in context, the terms are
34 synonymous and "impose" is more commonly used.

35 (2) Section 12, Chapter 84, Acts of the 59th
36 Legislature, Regular Session, 1965, refers to a "city

1 or town." The revised law substitutes "municipality"
2 for "city or town" to conform to the terminology of the
3 Local Government Code.

4 Revised Law

5 Sec. 1084.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
6 The board shall manage, control, and administer the district's
7 hospitals and hospital system. (Acts 59th Leg., R.S., Ch. 84, Sec.
8 7(a) (part).)

9 Source Law

10 Sec. 7. (a) The board of directors shall manage,
11 control, and administer the hospitals and hospital
12 system of the district. . . .

13 Revised Law

14 Sec. 1084.104. RULES. (a) The board may adopt rules
15 governing the operation of the district, including district
16 facilities.

17 (b) On approval by the board, the rules may be published in
18 booklet form at district expense and made available to any taxpayer
19 on request. (Acts 59th Leg., R.S., Ch. 84, Sec. 7(m).)

20 Source Law

21 (m) The board of directors is specifically
22 empowered to adopt rules and regulations governing the
23 operation of such district and its facilities which
24 rules and regulations shall supplement but shall not
25 contravene any of the provisions of this Act. Such
26 rules and regulations may, upon approval of the board
27 of directors, be published in booklet or pamphlet form
28 at the expense of the district and may be made
29 available to any taxpayer upon request.

30 Revisor's Note

31 (1) Section 7(m), Chapter 84, Acts of the 59th
32 Legislature, Regular Session, 1965, provides that the
33 board may adopt "rules and regulations" to govern the
34 district. The revised law omits "regulations" because
35 under Section 311.005(5), Government Code (Code
36 Construction Act), a rule is defined to include a
37 regulation.

38 (2) Section 7(m), Chapter 84, Acts of the 59th
39 Legislature, Regular Session, 1965, provides that the

1 board may adopt rules that "shall supplement but shall
2 not contravene any of the provisions of this Act." The
3 revised law omits the quoted language because, under
4 established principles of law, the board is not
5 authorized to take any action contrary to the laws of
6 this state.

7 (3) Section 7(m), Chapter 84, Acts of the 59th
8 Legislature, Regular Session, 1965, refers to
9 publishing rules in "booklet or pamphlet form." The
10 revised law omits "pamphlet" because, in context, the
11 meaning of "pamphlet" is included in the meaning of
12 "booklet."

13 Revised Law

14 Sec. 1084.105. DISTRICT PROPERTY, FACILITIES, AND
15 EQUIPMENT. (a) The board may:

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

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

20 (b) The board may lease district hospital facilities to
21 individuals, corporations, or other legal entities.

22 (c) The board may sell or otherwise dispose of the
23 district's property, including facilities or equipment. (Acts 59th
24 Leg., R.S., Ch. 84, Secs. 7(d), (e) (part).)

25 Source Law

26 (d) The board of directors may purchase or lease
27 property, facilities, and equipment for the district
28 to use in the hospital system and may mortgage or
29 pledge the property, facilities, or equipment as
30 security for the payment of the purchase price.

31 (e) . . . The board may transfer district
32 hospital facilities by lease to individuals,
33 corporations, or other legal entities and may sell or
34 otherwise dispose of the district's property,
35 facilities, and equipment.

36 Revised Law

37 Sec. 1084.106. EMINENT DOMAIN. (a) The district may
38 exercise the power of eminent domain to acquire a fee simple or
39 other interest in any type of property, real, personal, or mixed,

1 located in district territory, if the interest is necessary or
2 convenient for the district to exercise a right, power, privilege,
3 or function conferred on the district 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 the
6 district is not required to deposit in the trial court money or a
7 bond as provided by Section 21.021, 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 petition for review. (Acts 59th Leg., R.S., Ch. 84,
16 Sec. 9.)

17 Source Law

18 Sec. 9. The district shall have the right and
19 power of eminent domain for the purpose of acquiring by
20 condemnation any and all property of any kind or
21 character, real, personal or mixed, or any interest
22 therein, including outright ownership of such property
23 in fee simple absolute, within the boundaries of the
24 said district, necessary or convenient to the exercise
25 of the rights, power, privileges and functions
26 conferred upon it by this Act, in the manner provided
27 by General Law with respect to condemnation; provided
28 that the said district shall not be required to make
29 deposits in the registry of the trial court of the sum
30 required by Section 21.021, Property Code, or to make
31 the bond required therein. In condemnation proceedings
32 being prosecuted by the said district, the district
33 shall not be required to pay in advance or to give bond
34 or other security for costs in the trial court, nor to
35 give any bond otherwise required for the issuance of a
36 temporary restraining order or a temporary injunction
37 relating to a condemnation proceeding, nor to give
38 bond for costs or for supersedeas on any appeal or writ
39 of error proceeding to any Court of Civil Appeals, or
40 to the Supreme Court.

41 Revisor's Note

42 (1) Section 9, Chapter 84, Acts of the 59th
43 Legislature, Regular Session, 1965, provides that the
44 district has the "right and power of eminent domain for
45 the purpose of acquiring [property] by condemnation."

1 The revised law substitutes for the quoted language
2 "may exercise the power of eminent domain to acquire
3 [property]" because the phrases have the same meaning
4 and the latter phrase is consistent with modern usage
5 in laws relating to eminent domain.

6 (2) Section 9, Chapter 84, Acts of the 59th
7 Legislature, Regular Session, 1965, provides that the
8 district must exercise the power of eminent domain in
9 the manner provided by "General Law with respect to
10 condemnation." The revised law substitutes for
11 "General Law" a reference to Chapter 21, Property
12 Code, because that is the general law governing
13 eminent domain.

14 (3) Section 9, Chapter 84, Acts of the 59th
15 Legislature, Regular Session, 1965, provides that the
16 district is not required to provide bond on any appeal
17 or "writ of error proceeding" to "any Court of Civil
18 Appeals, or to the Supreme Court." The revised law
19 substitutes "petition for review" for "writ of error"
20 because, effective September 1, 1997, the Texas
21 Supreme Court replaced the writ of error procedure
22 with the petition for review procedure. See Rule 53.1,
23 Texas Rules of Appellate Procedure. The revised law
24 omits the references to the court of civil appeals (now
25 the court of appeals) and the supreme court. The
26 revised law omits the references because the court of
27 appeals and the supreme court are the only courts to
28 which the district may appeal or with which the
29 district may file a petition for review.

30 Revised Law

31 Sec. 1084.107. GIFTS AND ENDOWMENTS. The board may accept
32 for the district a gift or endowment to be held in trust and
33 administered by the board for the purposes and under the
34 directions, limitations, or provisions prescribed in writing by the

1 donor that are not inconsistent with the proper management and
2 objectives of the district. (Acts 59th Leg., R.S., Ch. 84, Sec.
3 14.)

4 Source Law

5 Sec. 14. The board of directors of the hospital
6 district is authorized on behalf of said hospital
7 district to accept donations, gifts and endowments for
8 the hospital district to be held in trust and
9 administered by the board of directors for such
10 purposes and under such direction, limitations, and
11 provisions as may be prescribed in writing by donor,
12 not inconsistent with proper management and objects of
13 the hospital district.

14 Revisor's Note

15 Section 14, Chapter 84, Acts of the 59th
16 Legislature, Regular Session, 1965, refers to
17 "donations" and "gifts." The revised law omits
18 "donations" because "donations" is included in the
19 meaning of "gifts."

20 Revised Law

21 Sec. 1084.108. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
22 CARE AND TREATMENT. (a) The board may contract with a county or
23 municipality located outside the district's boundaries for the care
24 and treatment of a sick or injured person of that county or
25 municipality.

26 (b) The board may contract with this state or a federal
27 agency for the treatment of a sick or injured person. (Acts 59th
28 Leg., R.S., Ch. 84, Sec. 7(c).)

29 Source Law

30 (c) The board of directors may contract with any
31 county or incorporated municipality located outside
32 its boundaries for the care and treatment of the sick,
33 diseased, or injured persons of the county or
34 municipality and may contract with this state or
35 agencies of the federal government for the treatment
36 of sick, diseased, or injured persons.

37 Revisor's Note

38 (1) Section 7(c), Chapter 84, Acts of the 59th
39 Legislature, Regular Session, 1965, refers to an
40 "incorporated" municipality. The revised law omits
41 the reference to "incorporated" because under the

1 Local Government Code all municipalities must be
2 incorporated.

3 (2) Section 7(c), Chapter 84, Acts of the 59th
4 Legislature, Regular Session, 1965, refers to the
5 treatment of "sick, diseased, or injured persons."
6 The revised law omits the reference to "diseased"
7 because "diseased" is included in the meaning of
8 "sick."

9 Revised Law

10 Sec. 1084.109. 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 are liable to pay for all or part of the
23 costs of the patient's care and treatment, the patient or those
24 relatives shall be ordered to pay the district a specified amount
25 each week for the patient's support. The amount ordered must be
26 proportionate to the person's financial ability.

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

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

34 (f) 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 an appropriate order. (Acts 59th Leg.,
5 R.S., Ch. 84, Secs. 7(j), 13.)

6 Source Law

7 [Sec. 7]

8 (j) The board of directors may institute a suit
9 to collect amounts owed to the district by patients who
10 have not been determined to be unable to pay under
11 Section 13 of this Act.

12 Sec. 13. Whenever a patient residing in the
13 hospital district has been admitted to the facilities
14 of the hospital district, the administrator may cause
15 inquiry to be made as to the patient's circumstances,
16 and of the relatives of such patient legally liable for
17 the patient's support. If the administrator finds that
18 such patient or said relatives are liable to pay for
19 the patient's care and treatment in whole or in part,
20 an order shall be made directing such patient, or said
21 relatives, to pay to the hospital district for the
22 support of such patient a specified sum per week, in
23 proportion to their financial ability. The district
24 shall have power and authority to collect such sum from
25 the estate of the patient, or the patient's relatives
26 legally liable for the patient's support, in the manner
27 provided by law for the collection of expenses of the
28 last illness of a deceased person. If the
29 administrator finds that such patient or said
30 relatives are not able to pay, either in whole or in
31 part, for the patient's care and treatment in such
32 hospital, the same shall become a charge upon the
33 hospital district. Should there be a dispute as to the
34 ability to pay, or doubt in the mind of the
35 administrator, the board of directors shall hear and
36 determine same, after calling witnesses, and shall
37 make such order as may be proper.

38 Revised Law

39 Sec. 1084.110. NONPROFIT CORPORATION. (a) The district
40 may create and sponsor a nonprofit corporation under the Business
41 Organizations Code and may contribute money to or solicit money for
42 the corporation.

43 (b) The corporation may use district money, other than money
44 the corporation pays to the district, only to provide health care or
45 other services the district is authorized to provide under this
46 chapter.

47 (c) The corporation may invest the corporation's money in
48 any manner in which the district may invest the district's money,
49 including investing money as authorized by Chapter 2256, Government

1 Code.

2 (d) The board shall establish controls to ensure that the
3 corporation uses its money as required by this section. (Acts 59th
4 Leg., R.S., Ch. 84, Sec. 7(k).)

5 Source Law

6 (k) The district may sponsor and create a
7 nonprofit corporation under the Texas Non-Profit
8 Corporation Act (Article 1396-1.01 et seq., Vernon's
9 Texas Civil Statutes) and may contribute funds to or
10 solicit funds for the corporation. The corporation may
11 use funds, other than funds paid by the corporation to
12 the district, only to provide health care or other
13 services the district is authorized to provide under
14 this Act. The board of directors of the hospital
15 district shall establish adequate controls to ensure
16 that the corporation uses its funds as required by this
17 subsection. The corporation may invest corporation
18 funds in any manner in which the district may invest
19 funds, including investing funds as authorized by
20 Chapter 2256, Government Code.

21 Revisor's Note

22 Section 7(k), Chapter 84, Acts of the 59th
23 Legislature, Regular Session, 1965, refers to the
24 Texas Non-Profit Corporation Act. That act was
25 codified in various chapters of the Business
26 Organizations Code by Chapter 182, Acts of the 78th
27 Legislature, Regular Session, 2003. On January 1,
28 2010, the Texas Non-Profit Corporation Act expires,
29 and the Business Organizations Code will apply to all
30 business entities without regard to date of formation
31 or whether an entity is a foreign or domestic business
32 entity. Because the revised law will not take effect
33 until 2011, the revised law is drafted to reflect the
34 applicability of only the Business Organizations Code.

35 Revised Law

36 Sec. 1084.111. AUTHORITY TO SUE AND BE SUED. As a
37 governmental agency, the district, through the board, may sue and
38 be sued in the district's own name in any court of this state. (Acts
39 59th Leg., R.S., Ch. 84, Secs. 7(a) (part), 16 (part).)

40 Source Law

41 Sec. 7. (a) . . . The district through its
42 board of directors may sue and be sued.

1 Sec. 16. [The hospital district . . .] as a
2 governmental agency may sue and be sued in any and all
3 courts of this state in the name of such district.

4 Revised Law

5 Sec. 1084.112. INSPECTIONS. The district is subject to
6 inspection by any authorized representative of this state. A
7 district officer or employee shall:

8 (1) admit the representative into any district
9 facility; and

10 (2) provide the representative with access on demand
11 to any record, report, book, paper, or account relating to the
12 district. (Acts 59th Leg., R.S., Ch. 84, Sec. 11.)

13 Source Law

14 Sec. 11. The district established or maintained
15 under the provisions of this Act shall be subject to
16 inspection by any duly authorized representative of
17 the state, and the officers and employees of the
18 district shall admit such representatives into all
19 hospital district facilities and give them access on
20 demand to all records, reports, books, papers and
21 accounts pertaining to the hospital district.

22 [Sections 1084.113-1084.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Revised Law

25 Sec. 1084.151. BUDGET. The district administrator shall
26 prepare an annual budget for approval by the board. (Acts 59th
27 Leg., R.S., Ch. 84, Sec. 8(b) (part).)

28 Source Law

29 (b) The administrator shall prepare an annual
30 budget for approval by the board of directors. . . .

31 Revised Law

32 Sec. 1084.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
33 The board shall hold a public hearing on the proposed budget.

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

37 (c) Any district resident is entitled to:

38 (1) appear at the time and place designated in the
39 notice; and

1 (2) be heard regarding any item included in the
2 proposed budget.

3 (d) The annual budget is effective only after adoption by
4 the board. (Acts 59th Leg., R.S., Ch. 84, Sec. 8(b) (part).)

5 Source Law

6 (b) . . . The board shall hold a public hearing
7 on the proposed budget after publication of a notice of
8 hearing in a newspaper of general circulation in the
9 district at least once not less than ten (10) days
10 prior to the date set for the hearing. Any person who
11 is a resident of the district shall have the right to
12 appear at the time and place designated in the notice
13 and be heard with reference to any item shown in the
14 proposed budget. The annual budget is effective only
15 after adoption by the board of directors. . . .

16 Revised Law

17 Sec. 1084.153. AMENDMENTS TO BUDGET. After the annual
18 budget is adopted, the budget may be amended on the board's
19 approval. (Acts 59th Leg., R.S., Ch. 84, Sec. 8(b) (part).)

20 Source Law

21 (b) . . . After adoption, the annual budget may
22 be amended on approval of the board of directors.

23 Revised Law

24 Sec. 1084.154. FISCAL YEAR. (a) The district operates
25 according to a 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
28 are outstanding; or

29 (2) more than once in a 24-month period. (Acts 59th
30 Leg., R.S., Ch. 84, Sec. 8(a) (part).)

31 Source Law

32 Sec. 8. (a) The district shall be operated on
33 the basis of a fiscal year to be established by the
34 board of directors. The fiscal year may not be changed
35 when revenue bonds are outstanding or more than one
36 time in a 24-month period. . . .

37 Revised Law

38 Sec. 1084.155. ANNUAL AUDIT. The board annually shall have
39 an independent audit made of the district's books and records.
40 (Acts 59th Leg., R.S., Ch. 84, Sec. 8(a) (part).)

1 Source Law

2 (a) . . . The board shall cause an annual
3 independent audit to be made of the books and records
4 of the district. . . .

5 Revised Law

6 Sec. 1084.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT
7 RECORDS. The annual audit and other district records are open to
8 inspection at the district's office. (Acts 59th Leg., R.S., Ch. 84,
9 Sec. 8(a) (part).)

10 Source Law

11 (a) . . . The audit and the records of the
12 district are open to inspection at the office of the
13 district.

14 Revised Law

15 Sec. 1084.157. DEPOSITORY OR TREASURER. (a) The board by
16 resolution shall designate a bank to serve as the district's
17 depository or treasurer.

18 (b) All district money shall be secured in the manner
19 provided for securing county funds. (Acts 59th Leg., R.S., Ch. 84,
20 Sec. 10.)

21 Source Law

22 Sec. 10. Within thirty (30) days after
23 appointment and qualification of the board of
24 directors of the hospital district, the said directors
25 shall by resolution designate a bank as the district's
26 depository or treasurer and all funds of the district
27 shall be secured in the manner now provided for the
28 security of county funds.

29 Revisor's Note

30 Section 10, Chapter 84, Acts of the 59th
31 Legislature, Regular Session, 1965, requires the board
32 to select a depository "[w]ithin thirty (30) days
33 after appointment and qualification of the board of
34 directors of the hospital district." The revised law
35 omits the quoted language as executed.

36 Revised Law

37 Sec. 1084.158. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.
38 (a) The board may borrow money at a rate not to exceed the maximum
39 annual percentage rate allowed by law for district obligations at

1 the time the loan is made.

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) a district tax to be imposed by the district during
6 the 12-month period following the date of the pledge that is not
7 pledged to pay the principal of or interest on district bonds; or

8 (3) district bonds that have been authorized but not
9 sold.

10 (c) A loan for which taxes or bonds are pledged must mature
11 not later than the first anniversary of the date the loan is made. A
12 loan for which district revenue is pledged must mature not later
13 than the fifth anniversary of the date the loan is made. (Acts 59th
14 Leg., R.S., Ch. 84, Sec. 6B.)

15 Source Law

16 Sec. 6B. (a) The board of directors may borrow
17 money at a rate not to exceed the maximum annual
18 percentage rate allowed by law for district
19 obligations at the time of the loan.

20 (b) To secure a loan, the board of directors may
21 pledge:

22 (1) revenues of the district that are not
23 pledged to pay the bonded indebtedness of the
24 district;

25 (2) district taxes to be levied by the
26 district during the 12-month period following the date
27 of the pledge that are not pledged to pay the principal
28 of or interest on district bonds; or

29 (3) district bonds that have been
30 authorized but not sold.

31 (c) A loan for which taxes or bonds are pledged
32 shall mature not later than the first anniversary of
33 the date on which the loan is made. A loan for which
34 district revenues are pledged shall mature not later
35 than the fifth anniversary of the date on which the
36 loan is made.

37 Revised Law

38 Sec. 1084.159. AUTHORITY TO BORROW MONEY IN EMERGENCY;

39 SECURITY. (a) If money is not available to meet an authorized
40 obligation of the district, the board shall adopt an order
41 declaring an emergency. After the order is adopted, the board may
42 borrow money on district notes at a rate not to exceed 12 percent a
43 year to meet the obligation.

44 (b) To secure the 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 that is to be imposed not later than
4 the first anniversary of the date of the loan and that is not
5 pledged to pay the principal of or 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 spend money obtained from a loan under
13 this section only to meet the obligation that made the loan
14 necessary. The board may spend money obtained from any taxes or
15 bonds used to secure the loan only for the purpose for which the
16 taxes were imposed or the bonds were authorized. (Acts 59th Leg.,
17 R.S., Ch. 84, Sec. 6A.)

18 Source Law

19 Sec. 6A. (a) If money is not available to meet a
20 lawfully authorized obligation of the district, the
21 board shall adopt an order declaring an emergency.
22 After the order is adopted, the board may borrow money
23 on notes of the district at a rate of not more than
24 twelve (12) percent a year to meet the obligation.

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

26 (1) revenues of the district that are not
27 pledged to pay a bonded indebtedness of the district;

28 (2) taxes of the district that are to be
29 levied not later than twelve (12) months after the date
30 of the loan and that are not pledged to pay principal
31 of or interest on bonds; or

32 (3) bonds of the district that have been
33 authorized but not sold.

34 (c) If taxes or bonds are pledged to pay the
35 loan, the loan must mature not later than twelve (12)
36 months after the date on which the loan is made. If
37 revenues of the district are pledged to pay the loan,
38 the loan must mature not later than five (5) years
39 after the date on which the loan is made.

40 (d) Money from the loan may be used only to meet
41 the obligation that made the loan necessary. Money
42 from any taxes or bonds used to secure the loan may be
43 used only for the purpose for which the taxes were
44 levied or the bonds were authorized.

45 Revisor's Note

46 Section 6A, Chapter 84, Acts of the 59th
47 Legislature, Regular Session, 1965, refers to a

1 "lawfully authorized obligation." The revised law
2 omits "lawfully" because, in context, a "lawful"
3 obligation is included in the meaning of an
4 "authorized" obligation.

5 [Sections 1084.160-1084.200 reserved for expansion]

6 SUBCHAPTER E. BONDS

7 Revised Law

8 Sec. 1084.201. GENERAL OBLIGATION BONDS. The board may
9 issue and sell general obligation bonds authorized by an election
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; and

15 (3) acquire sites to be used for district purposes.

16 (Acts 59th Leg., R.S., Ch. 84, Sec. 6(a) (part).)

17 Source Law

18 Sec. 6. (a) The board of directors shall have
19 the power and authority to issue and sell as the
20 obligations of such hospital district, and in the name
21 and upon the faith and credit of such hospital
22 district, general obligation bonds authorized by an
23 election for the purchase, construction, acquisition,
24 repair, or renovation of buildings and improvements,
25 equipping the same for hospital purposes, and
26 acquisition of sites to be used for the district's
27 purposes. . . .

28 Revised Law

29 Sec. 1084.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
30 the time general obligation bonds are issued by the district under
31 Section 1084.201, the board shall impose an ad valorem tax at a rate
32 sufficient to create an interest and sinking fund to pay the
33 principal of and interest on the bonds as the bonds mature.

34 (b) The tax required by this section together with any other
35 ad valorem tax the district imposes may not in any year exceed 75
36 cents on each \$100 valuation of all taxable property in the
37 district. (Acts 59th Leg., R.S., Ch. 84, Sec. 6(a) (part).)

38 Source Law

39 (a) . . . At the time of issuance of any general

1 obligation bonds, a sufficient tax shall be levied to
2 create an interest and sinking fund to pay the interest
3 and principal as same matures, providing said tax
4 together with any other taxes levied for the district
5 shall not exceed Seventy-Five Cents (75¢) on each \$100
6 valuation in any one (1) year.

7 Revisor's Note

8 Section 6(a), Chapter 84, Acts of the 59th
9 Legislature, Regular Session, 1965, requires the
10 district to levy a tax to pay the principal of and
11 interest on bonds. The revised law specifies that the
12 tax is an "ad valorem" tax because it is clear from the
13 source law that the tax is a property tax, and "ad
14 valorem" is the term most commonly used to refer to a
15 property tax.

16 Revised Law

17 Sec. 1084.203. ELECTION FOR GENERAL OBLIGATION BONDS. (a)
18 The district may issue general obligation bonds only if the bonds
19 are authorized by a majority of the district voters voting at an
20 election held for that purpose.

21 (b) The board may order the election on its own motion.

22 (c) The election shall be conducted in accordance with
23 Chapter 1251, Government Code. (Acts 59th Leg., R.S., Ch. 84, Sec.
24 6(c).)

25 Source Law

26 (c) No general obligation bonds shall be issued
27 by such hospital district until authorized by a
28 majority vote of the resident qualified voters voting
29 at an election called and held for such purpose. Such
30 election may be called by the board of directors on its
31 own motion, and shall be conducted in accordance with
32 Chapter 1251, Government Code.

33 Revisor's Note

34 (1) Section 6(c), Chapter 84, Acts of the 59th
35 Legislature, Regular Session, 1965, refers to a
36 majority vote of the "resident qualified voters." The
37 revised law substitutes "district voters" for
38 "resident qualified voters" because Chapter 11,
39 Election Code, governs eligibility to vote in an
40 election in this state and allows only "qualified"

1 voters who are residents of the territory covered by
2 the election to vote in an election.

3 (2) Section 6(c), Chapter 84, Acts of the 59th
4 Legislature, Regular Session, 1965, refers to an
5 election "called and held." The revised law omits the
6 reference to "calling" an election because, in this
7 context, "calling" an election is included in the
8 meaning of "holding" an election. Under Chapter 3,
9 Election Code, all elections must be ordered (called)
10 before they may be held.

11 Revised Law

12 Sec. 1084.204. REVENUE BONDS. (a) The board may issue and
13 sell revenue bonds in the name and on the faith and credit of the
14 district to purchase, construct, acquire, repair, renovate, or
15 equip buildings or improvements for district 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 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, 264.046, 264.047, 264.048, and 264.049,
23 Health and Safety Code, for the issuance of revenue bonds by a
24 county hospital authority. (Acts 59th Leg., R.S., Ch. 84, Sec.
25 6(e).)

26 Source Law

27 (e) The board of directors may issue and sell
28 revenue bonds in the name and on the faith and credit
29 of the district to purchase, construct, acquire,
30 repair, renovate, or equip buildings or improvements
31 for district purposes. The bonds shall be payable from
32 and secured by a pledge of all or part of the revenues
33 derived from the operation of the district's hospital
34 system. The bonds may be additionally secured by a
35 mortgage or deed of trust on all or part of the
36 district's property. The revenue bonds shall be issued
37 in the manner provided by Sections 264.042, 264.043,
38 264.046, 264.047, 264.048, and 264.049, Health and
39 Safety Code, for the issuance of revenue bonds by
40 county hospital authorities.

1 (b) [District bonds . . .] shall be
2 subject to the same requirements in the
3 matter of approval thereof by the Attorney
4 General of the State of Texas and the
5 registration thereof by the Comptroller of
6 Public Accounts of the State of Texas as are
7 by law provided for such approval and
8 registration of bonds of counties of this
9 state. Upon the approval of such bonds by
10 the Attorney General of Texas and
11 registration by the Comptroller the same
12 shall be incontestable for any cause.

13 (2) Section 6(d), Chapter 84, Acts of the 59th
14 Legislature, Regular Session, 1965, provides that the
15 district may issue refunding bonds without an election
16 and that the bonds shall be issued in accordance with
17 Chapter 1207, Government Code. The revised law omits
18 the provisions because Chapter 1207, which applies to
19 the district by its own terms, provides general
20 authority for an issuer, including a hospital
21 district, to issue refunding securities, and Section
22 1207.003, Government Code, authorizes an issuer to
23 issue refunding bonds without an election. The omitted
24 law reads:

25 (d) The district may without an
26 election issue refunding bonds of the
27 district to refund and pay off any validly
28 issued and outstanding bonds issued or
29 assumed by the district. Refunding bonds
30 shall be issued in accordance with Chapter
31 1207, Government Code.

32 (3) Section 15, Chapter 84, Acts of the 59th
33 Legislature, Regular Session, 1965, provides that
34 district bonds are legal and authorized investments
35 for certain entities. The revised law omits the
36 provision as unnecessary. As to several of the
37 entities listed, Section 15 has been superseded and
38 impliedly repealed. Investments in securities by
39 banks are regulated by Section 34.101, Finance Code
40 (enacted in 1995 as Section 5.101, Texas Banking Act
41 (Article 342-5.101, Vernon's Texas Civil Statutes)).
42 Investments in securities by savings banks are
43 regulated by Section 93.001(c)(10), Finance Code

1 (enacted in 1993 as Section 7.15(10), Texas Savings
2 Bank Act (Article 489e, Vernon's Texas Civil
3 Statutes)). Investments in securities by trust
4 companies are regulated by Section 184.101, Finance
5 Code (enacted in 1997 as Section 5.101, Texas Trust
6 Company Act (Article 342a-5.101, Vernon's Texas Civil
7 Statutes)). Investments in securities by building and
8 loan associations (now called savings and loan
9 associations) are regulated by Sections 63.002 and
10 64.001, Finance Code. As to the remaining entities
11 listed, Section 15 is superseded by Section 1201.041,
12 Government Code, enacted as Section 9, Bond Procedures
13 Act of 1981 (Article 717k-6, Vernon's Texas Civil
14 Statutes). Section 1201.041, Government Code, applies
15 to district bonds by application of Section 1201.002,
16 Government Code. While Section 15 lists "guardians"
17 and Section 1201.041 does not, the latter statute
18 includes "fiduciaries" and a guardian is a fiduciary.
19 The omitted law reads:

20 Sec. 15. All bonds issued by or
21 assumed by the districts authorized to be
22 established and created under the
23 provisions of this Act shall be and are
24 declared to be legal and authorized
25 investments for banks, savings banks, trust
26 companies, building and loan associations,
27 insurance companies, fiduciaries,
28 trustees, guardians, and for the sinking
29 funds of cities, towns, villages, counties,
30 school districts, or other political
31 corporations or subdivisions of the State
32 of Texas; and

33 (4) Section 15, Chapter 84, Acts of the 59th
34 Legislature, Regular Session, 1965, provides that
35 district bonds may secure certain deposits. Although
36 Section 15 does not specifically mention the deposits
37 the bonds are eligible to secure, the only deposits
38 they could secure would be deposits of public funds of
39 this state or political subdivisions of this state. As
40 such, the revised law omits the provisions as

1 impliedly repealed by Section 404.0221, Government
2 Code (enacted in 1995), which lists eligible
3 collateral for deposits of state funds by the
4 comptroller, and by Chapter 2257, Government Code
5 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
6 Statutes), which governs eligible collateral for
7 deposits of funds of other public agencies, including
8 political subdivisions. The omitted law reads:

9 Sec. 15. . . . such bonds shall be
10 lawful and sufficient security for deposits
11 to the extent of their face value when
12 accompanied by all unmatured coupons
13 appurtenant thereto.

14 [Sections 1084.206-1084.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Revised Law

17 Sec. 1084.251. IMPOSITION OF AD VALOREM TAX. (a) The board
18 shall impose a tax on all property in the district subject to
19 district taxation.

20 (b) The board shall impose the tax to:

21 (1) pay the interest on and create a sinking fund for
22 bonds or other obligations issued or assumed by the district for
23 hospital purposes;

24 (2) provide for the operation and maintenance of the
25 district and hospital system;

26 (3) make improvements and additions to the hospital
27 system; and

28 (4) acquire necessary sites for the hospital system by
29 purchase, lease, or condemnation. (Acts 59th Leg., R.S., Ch. 84,
30 Sec. 5(a) (part).)

31 Source Law

32 Sec. 5. (a) The board of directors of such
33 hospital district shall have the power and authority,
34 and it shall be their duty, to levy on all property
35 subject to hospital district taxation for the benefit
36 of the district a tax . . . [of all taxable property]
37 within the hospital district, for the purpose of: (1)
38 paying the interest on and creating a sinking fund for
39 bonds and other obligations which may be issued or
40 assumed by the hospital district for hospital purposes
41 as herein provided; (2) providing for the operation

1 and maintenance of the hospital district and hospital
2 system; and (3) for the purpose of making further
3 improvements and additions to the hospital system,
4 and, for the acquisition of necessary sites therefor,
5 by purchase, lease or condemnation.

6 Revised Law

7 Sec. 1084.252. TAX RATE. The board may impose the tax at a
8 rate not to exceed 75 cents on each \$100 valuation of all taxable
9 property in the district. (Acts 59th Leg., R.S., Ch. 84, Sec. 5(a)
10 (part).)

11 Source Law

12 (a) [The board of directors . . . shall . . .
13 levy . . . a tax] of not to exceed Seventy-Five Cents
14 (75¢) on the One Hundred Dollar (\$100) valuation of all
15 taxable property [within the hospital district,]
16

17 Revised Law

18 Sec. 1084.253. TAX ASSESSOR-COLLECTOR. The board may
19 provide for the appointment of a tax assessor-collector for the
20 district or may contract for the assessment and collection of taxes
21 as provided by the Tax Code. (Acts 59th Leg., R.S., Ch. 84, Sec.
22 5(b) (part).)

23 Source Law

24 (b) . . . The board of directors may provide for
25 the appointment of a tax assessor-collector for the
26 district or may contract for the assessment and
27 collection of taxes as provided by the Tax Code.

28 Revisor's Note
29 (End of Subchapter)

30 (1) Section 5(b), Chapter 84, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that the
32 Tax Code governs the appraisal, assessment, and
33 collection of district taxes. The revised law omits
34 that provision because Section 1.02, Tax Code,
35 requires all taxing units of government to administer
36 the assessment and collection of an ad valorem tax in
37 conformity with Title 1, Tax Code. The omitted law
38 reads:

39 (b) The Tax Code governs the
40 appraisal, assessment, and collection of
41 district taxes. . . .

42 (2) Section 7(h), Chapter 84, Acts of the 59th

1 Legislature, Regular Session, 1965, authorizes the
2 board to institute a suit to enforce the payment of
3 taxes and to foreclose liens to secure that payment.
4 The revised law omits that provision because it
5 duplicates Chapter 33, Tax Code, which authorizes a
6 taxing unit of government to file suit to enforce the
7 payment of taxes and to foreclose a lien to secure that
8 payment. The omitted law reads:

9 (h) The board of directors may
10 institute a suit to enforce the payment of
11 taxes and to foreclose liens to secure the
12 payment of taxes due to the district.

13 [Sections 1084.254-1084.300 reserved for expansion]

14 SUBCHAPTER G. DISSOLUTION

15 Revised Law

16 Sec. 1084.301. DISSOLUTION; ELECTION. (a) The district
17 may be dissolved 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 15
24 percent of the registered voters of the district.

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;

28 (2) the date of the election;

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

30 (4) the location of the polling places.

31 (e) Section 41.001(a), Election Code, does not apply to an
32 election ordered under this section. (Acts 59th Leg., R.S., Ch. 84,
33 Secs. 16A(a), (b), (c) (part).)

34 Source Law

35 Sec. 16A. (a) The district may be dissolved only
36 if the dissolution is approved by a majority of the
37 qualified voters of the district voting in an election

1 called and held for that purpose.

2 (b) The board of directors may order an election
3 on the question of dissolving the district and
4 disposing of the district's assets and obligations.
5 The board shall order an election if the board receives
6 a petition requesting an election that is signed by a
7 number of registered voters of the district equal to at
8 least 15 percent of the registered voters in the
9 district.

10 (c) . . . Section 41.001(a), Election Code,
11 does not apply to an election ordered under this
12 section. The order calling the election shall state:

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

15 (2) the date of the election;

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

18 (4) the location of the polling places.

19 Revisor's Note

20 (1) Section 16A(a), Chapter 84, Acts of the 59th
21 Legislature, Regular Session, 1965, provides for
22 dissolution of the district if approved by a majority
23 of the "qualified" voters. The revised law omits
24 "qualified" for the reason stated in Revisor's Note (1)
25 to Section 1084.203.

26 (2) Section 16A(a), Chapter 84, Acts of the 59th
27 Legislature, Regular Session, 1965, provides that the
28 district may be dissolved if authorized at an election
29 "called and held" for that purpose. The revised law
30 omits the reference to "calling" an election for the
31 reason stated in Revisor's Note (2) to Section
32 1084.203.

33 (3) Section 16A(c), Chapter 84, Acts of the 59th
34 Legislature, Regular Session, 1965, provides that the
35 election must be held not later than the 60th day after
36 the date the election is ordered. The revised law
37 omits the provision as superseded by Section 3.005,
38 Election Code, applicable to the district under
39 Section 1.002, Election Code. Section 3.005, as
40 amended by Chapter 925, Acts of the 78th Legislature,
41 Regular Session, 2003, requires an election order
42 issued by the authority of a political subdivision to
43 be issued not later than the 62nd day before election

1 day and provides that Section 3.005 supersedes a law
2 outside the Election Code to the extent of any
3 conflict. The omitted law reads:

4 (c) The election shall be held not
5 later than the 60th day after the date the
6 election is ordered. . . .

7 Revised Law

8 Sec. 1084.302. 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 not
13 later than the 35th day before the date set for the election. (Acts
14 59th Leg., R.S., Ch. 84, Sec. 16A(d) (part).)

15 Source Law

16 (d) The board of directors shall give notice of
17 the election by publishing a substantial copy of the
18 election order in a newspaper with general circulation
19 in the district once a week for two consecutive weeks.
20 The first publication must appear not less than 35 days
21 before the date set for the election. . . .

22 Revised Law

23 Sec. 1084.303. BALLOT. The ballot for an election under
24 this subchapter must be printed to permit voting for or against the
25 proposition: "The dissolution of the Palo Pinto County Hospital
26 District." (Acts 59th Leg., R.S., Ch. 84, Sec. 16A(d) (part).)

27 Source Law

28 (d) . . . The ballot for the election shall be
29 printed to permit voting for or against the
30 proposition: "The dissolution of the Palo Pinto
31 County Hospital District."

32 Revised Law

33 Sec. 1084.304. ELECTION RESULTS. (a) If a majority of the
34 votes in an election under this subchapter favor dissolution, the
35 board shall find that the district is dissolved.

36 (b) If a majority of the votes in the election do not favor
37 dissolution, the board shall continue to administer the district
38 and another election on the question of dissolution may not be held
39 before the first anniversary of the date of the most recent election

1 to dissolve the district. (Acts 59th Leg., R.S., Ch. 84, Sec.
2 16A(e).)

3 Source Law

4 (e) If a majority of the votes in the election
5 favor dissolution, the board of directors shall find
6 that the district is dissolved. If a majority of the
7 votes in the election do not favor dissolution, the
8 board shall continue to administer the district, and
9 another election on the question of dissolution may
10 not be held before the first anniversary of the most
11 recent election to dissolve the district.

12 Revised Law

13 Sec. 1084.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

14 (a) If a majority of the votes in an election held under this
15 subchapter favor dissolution, the board shall:

16 (1) transfer the land, buildings, improvements,
17 equipment, and other assets that belong to the district to a county
18 or to another governmental entity in Palo Pinto County;

19 (2) sell the assets and liabilities to another person;
20 or

21 (3) administer the property, assets, and debts until
22 all money has been disposed of and all district debts have been paid
23 or settled.

24 (b) If the board makes the transfer under Subsection (a)(1),
25 the county or entity assumes all debts and obligations of the
26 district at the time of the transfer, and the district is dissolved.

27 (c) If Subsections (a)(1) and (2) do not apply and the board
28 administers the property, assets, and debts of the district under
29 Subsection (a)(3), the district is dissolved when all money has
30 been disposed of and all district debts have been paid or settled.
31 (Acts 59th Leg., R.S., Ch. 84, Secs. 16A(f), (g), (m) (part).)

32 Source Law

33 (f) If a majority of the votes in the election
34 favor dissolution, the board of directors shall:

35 (1) transfer the land, buildings,
36 improvements, equipment, and other assets that belong
37 to the district to a county or to another governmental
38 entity in the county in which the district is located;

39 (2) sell the assets and liabilities to
40 another person or entity; or

41 (3) administer the property, assets, and
42 debts until all funds have been disposed of and all
43 district debts have been paid or settled.

1 (g) If the district transfers the land,
2 buildings, improvements, equipment, and other assets
3 to a county or other governmental entity, the county or
4 entity assumes all debts and obligations of the
5 district at the time of the transfer, at which time the
6 district is dissolved. If the district does not
7 transfer the land, buildings, improvements,
8 equipment, and other assets to a county or other
9 governmental entity, or sell those assets and the
10 liabilities to another person, the board of directors
11 shall administer the property, assets, and debts of
12 the district until all funds have been disposed of and
13 all district debts have been paid or settled, at which
14 time the district is dissolved.

15 (m) The district may provide for the sale or
16 transfer of the district's assets and liabilities to
17 another person or entity and the district's subsequent
18 dissolution. . . .

19 Revisor's Note

20 Sections 16A(f) and (m), Chapter 84, Acts of the
21 59th Legislature, Regular Session, 1965, refer to
22 "another person or entity." The revised law omits
23 "entity" because "entity" is included in the meaning
24 of "person" under Section 311.005(2), Government Code
25 (Code Construction Act).

26 Revised Law

27 Sec. 1084.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

28 (a) The dissolution of the district and the sale or transfer of the
29 district's assets and liabilities to another person may not
30 contravene a trust indenture or bond resolution relating to the
31 district's outstanding bonds. The dissolution and sale or transfer
32 does not diminish or impair the rights of a holder of an outstanding
33 bond, warrant, or other obligation of the district.

34 (b) The sale or transfer of the district's assets and
35 liabilities must satisfy the debt and bond obligations of the
36 district in a manner that protects the interests of district
37 residents, including the residents' collective property rights in
38 the district's assets.

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

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

43 (2) the transferred assets are to be used for the

1 benefit of the district's residents.

2 (d) A grant from federal funds is an obligation to be repaid
3 in satisfaction. (Acts 59th Leg., R.S., Ch. 84, Secs. 16A(m)
4 (part), (n).)

5 Source Law

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

14 (n) The sale or transfer of the district's
15 assets and liabilities must satisfy the debt and bond
16 obligations of the district in a manner that protects
17 the interests of the residents of the district,
18 including the residents' collective property rights in
19 the district's assets. A grant from federal funds is
20 an obligation to be repaid in satisfaction. The
21 district may not transfer or dispose of the district's
22 assets except for due compensation unless the transfer
23 is made to another governmental entity that serves the
24 district and the transferred assets are to be used for
25 the benefit of the residents of the district.

26 Revisor's Note

27 Section 16A(m), Chapter 84, Acts of the 59th
28 Legislature, Regular Session, 1965, refers to "another
29 person or entity." The revised law omits "entity" for
30 the reason stated in the revisor's note to Section
31 1084.305.

32 Revised Law

33 Sec. 1084.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
34 TAXES. (a) After the board finds that the district is dissolved,
35 the board shall:

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

37 (2) impose on the property included on the district's
38 tax rolls a tax that is in proportion of the debt to the property
39 value.

40 (b) On the payment of all outstanding debts and obligations
41 of the district, the board shall order the secretary to return to
42 each district taxpayer the taxpayer's pro rata share of all unused
43 tax money.

44 (c) A taxpayer may request that the taxpayer's share of

1 surplus tax money be credited to the taxpayer's county taxes. If a
2 taxpayer requests the credit, the board shall direct the secretary
3 to transmit the money to the county tax assessor-collector. (Acts
4 59th Leg., R.S., Ch. 84, Secs. 16A(h), (i), (j).)

5 Source Law

6 (h) After the board of directors finds that the
7 district is dissolved, the board shall:

8 (1) determine the debt owed by the
9 district; and

10 (2) impose on the property included in the
11 district's tax rolls a tax that is in proportion of the
12 debt to the property value.

13 (i) When all outstanding debts and obligations
14 of the district are paid, the board of directors shall
15 order the secretary to return the pro rata share of all
16 unused tax money to each district taxpayer.

17 (j) A taxpayer may request that the taxpayer's
18 share of surplus tax money be credited to the
19 taxpayer's county taxes. If a taxpayer requests the
20 credit, the board of directors shall direct the
21 secretary to transmit the funds to the county tax
22 assessor-collector.

23 Revised Law

24 Sec. 1084.308. REPORT; DISSOLUTION ORDER. (a) After the
25 district has paid all district debts and has disposed of all
26 district money and other assets as prescribed by this subchapter,
27 the board shall file a written report with the Commissioners Court
28 of Palo Pinto County summarizing the board's actions in dissolving
29 the district.

30 (b) Not later than the 10th day after the date the
31 Commissioners Court of Palo Pinto County receives the report and
32 determines that the requirements of this subchapter have been
33 fulfilled, the commissioners court shall enter an order dissolving
34 the district and releasing the board from any further duty or
35 obligation. (Acts 59th Leg., R.S., Ch. 84, Secs. 16A(k), (l).)

36 Source Law

37 (k) After the district has paid all its debts
38 and has disposed of all its assets and funds as
39 prescribed by this section, the board of directors
40 shall file a written report with the Commissioners
41 Court of Palo Pinto County setting forth a summary of
42 the board's actions in dissolving the district.

43 (l) Not later than the 10th day after the date it
44 receives the report and determines that the
45 requirements of this section have been fulfilled, the
46 Commissioners Court of Palo Pinto County shall enter
47 an order dissolving the district and releasing the
48 board of directors of the district from any further

1 duty or obligation.

2 Revisor's Note
3 (End of Chapter)

4 (1) Section 17, Chapter 84, Acts of the 59th
5 Legislature, Regular Session, 1965, provides that the
6 act is severable. The revised law omits that provision
7 because it duplicates Section 311.032, Government Code
8 (Code Construction Act), which provides that a
9 provision of a statute is severable from each other
10 provision of the statute that can be given effect. The
11 omitted law reads:

12 Sec. 17. . . . If any provision of
13 this Act should be invalid, such fact shall
14 not affect the authorization for the
15 creation of the district or the validity of
16 any other provisions of this Act, and the
17 Legislature hereby declares that it would
18 have created the district and enacted the
19 valid provisions of this Act
20 notwithstanding the invalidity of any other
21 provision or provisions hereof.

22 (2) Section 18, Chapter 84, Acts of the 59th
23 Legislature, Regular Session, 1965, provides that
24 public notice of enactment of the statute was provided
25 in a manner that satisfies the requirements of the
26 Texas Constitution. The revised law omits that
27 provision as executed. The omitted law reads:

28 Sec. 18. Proof of publication of the
29 constitutional notice required in the
30 enactment hereof under the provisions of
31 Section 9 of Article IX of the Texas
32 Constitution has been made in the manner and
33 form provided by law pertaining to the
34 enactment of local and special laws and is
35 hereby found and declared to be proper and
36 sufficient to satisfy such requirement.

37 CHAPTER 1085. PARKER COUNTY HOSPITAL DISTRICT

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1 SUBCHAPTER A. GENERAL PROVISIONS

2 Revised Law

3 Sec. 1085.001. 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 Parker County Hospital
8 District. (New.)

9 Revisor's Note

10 The definitions of "board," "director," and
11 "district" are added to the revised law for drafting
12 convenience and to eliminate frequent, unnecessary
13 repetition of the substance of the definitions.

14 Revised Law

15 Sec. 1085.002. AUTHORITY FOR CREATION. The Parker County
16 Hospital District is created under the authority of Section 9,
17 Article IX, Texas Constitution, and has the rights, powers, and
18 duties prescribed by this chapter. (Acts 59th Leg., R.S., Ch. 35,
19 Sec. 1 (part).)

20 Source Law

21 Sec. 1. Pursuant to authority granted by the
22 provisions of Section 9 of Article IX of the
23 Constitution of the State of Texas, Parker County
24 Hospital District is hereby authorized to be created
25 and as created shall . . . possess such rights, powers
26 and duties as are hereinafter prescribed.

27 Revised Law

28 Sec. 1085.003. ESSENTIAL PUBLIC FUNCTION. The district
29 performs an essential public function in carrying out the purposes
30 of this chapter. (Acts 59th Leg., R.S., Ch. 35, Sec. 10 (part).)

31 Source Law

32 Sec. 10. In carrying out the purposes of this
33 Act, the District will be performing an essential
34 public function and

35 Revised Law

36 Sec. 1085.004. DISTRICT TERRITORY. The boundaries of the
37 district are coextensive with the boundaries of Parker County,
38 Texas. (Acts 59th Leg., R.S., Ch. 35, Sec. 1 (part).)

1 the qualified property taxpaying electors
2 of the District voting at an election called
3 for such purpose. Such election may be
4 initiated by the Commissioners Court of
5 Parker County upon its own motion, or shall
6 be called by said Commissioners Court upon
7 presentation of a petition therefor signed
8 by at least fifty (50) qualified property
9 taxpaying electors of the District. Such
10 election shall be held not less than thirty
11 (30) nor more than sixty (60) days from the
12 time such election is ordered by the
13 Commissioners Court. The order calling the
14 election shall specify the time and places
15 of holding same, the form of ballot, and the
16 presiding judge for each voting place.
17 Notice of election shall be given by
18 publishing a substantial copy of the
19 election order in a newspaper of general
20 circulation in the county once a week for
21 two (2) consecutive weeks, the first
22 publication to appear at least thirty (30)
23 days prior to the date established for the
24 election. The failure of such election
25 shall not operate to prohibit the calling
26 and holding of subsequent elections for the
27 same purpose.

28 At said election there shall be
29 submitted to the qualified property
30 taxpaying electors of the District the
31 proposition of whether or not the hospital
32 district shall be created with authority to
33 levy annual taxes . . . for the purpose of
34 meeting the requirements of the District's
35 bonds, indebtedness assumed by it, and its
36 maintenance and operating expenses, and a
37 majority of the qualified property
38 taxpaying electors of the District voting
39 at said election in favor of the proposition
40 shall be sufficient for its adoption;
41 provided, however, the Commissioners Court
42 may in the election order provide that the
43 tax to be levied by the hospital district,
44 in the event the same is created, shall be
45 less than Seventy-Five Cents (75¢) on the
46 One Hundred Dollars (\$100) valuation, and
47 in such event such lesser rate shall be
48 inserted in the proposition to appear on the
49 ballot, and

50 The ballots for such creation election
51 shall have printed thereon the following:

52 "FOR the creation of Parker County
53 Hospital District providing for the levy of
54 a tax not to exceed ___¢ on the \$100
55 valuation using Parker County values and
56 Parker County tax rolls, and providing for
57 the assumption by such District of all
58 outstanding bonds and indebtedness
59 heretofore issued by Parker County and by
60 any city or town within said county for
61 hospital purposes."

62 "AGAINST the creation of Parker County
63 Hospital District, providing for the levy
64 of a tax not to exceed ___¢ on the \$100
65 valuation using Parker County values and
66 Parker County tax rolls, and providing for
67 the assumption by such District of all
68 outstanding bonds and indebtedness
69 heretofore issued by Parker County and by

1 any city or town within said county for
2 hospital purposes."

3 Sec. 8. A petition for an election to
4 create the hospital district (as provided
5 in Section 3) presented to the
6 Commissioners Court may incorporate a
7 request that a separate proposition be
8 submitted at such election as to whether or
9 not the Board of Directors of the District
10 (in the event same is created) shall be
11 authorized to issue bonds for the purposes
12 specified in Section 7. Such petition shall
13 specify the maximum amount of bonds to be
14 issued, their maximum maturity and maximum
15 interest rate, and the same shall be
16 included in the proposition submitted at
17 the election.

18 [Sections 1085.007-1085.050 reserved for expansion]

19 SUBCHAPTER B. DISTRICT ADMINISTRATION

20 Revised Law

21 Sec. 1085.051. BOARD ELECTION; TERM. (a) The board
22 consists of seven directors elected as follows:

23 (1) one director elected from each commissioners
24 precinct of Parker County; and

25 (2) three directors elected from the district at
26 large.

27 (b) The board shall declare the results of the election.

28 (c) Directors serve staggered two-year terms unless
29 four-year terms are established under Section 285.081, Health and
30 Safety Code. (Acts 59th Leg., R.S., Ch. 35, Secs. 4A(a), (b)
31 (part), 4B(b), (d).)

32 Source Law

33 Sec. 4A. (a) The Commissioners Court may order
34 an election of Directors for the District to be held at
35 the expense of the District. If an election is ordered,
36 the Commissioners Court shall determine:

37 (1) the number of Directors on the Board;
38 (2) whether the Board members shall be
39 elected by place, at large, from commissioner
40 precincts, or from single-member Districts;

41 (3) whether all of the Directors are to be
42 elected at the initial election of Directors or
43 whether only successors to the appointed Directors
44 whose terms expire during the year of the initial
45 election are to be elected with successors to the
46 remaining appointed Directors to be elected at a
47 subsequent election held in the year in which those
48 appointed Directors' terms expire;

49 (4) a method of deciding which members of
50 the initial elected Board shall serve for one (1) year
51 and which members shall serve for two (2) years if the
52 entire Board is to be elected at the initial election

1 of Directors; and
2 (5) the date on which the initial election
3 of Directors shall be held.

4 (b) [If an election of Directors is ordered as
5 provided by Subsection (a) of this section,] . . . The
6 Commissioners Court shall appoint election officers,
7 canvass the returns of the election, and declare the
8 results.

9 [Sec. 4B]

10 (b) The duties imposed on the Commissioners
11 Court by Section 4A(b) of this Act shall be assumed by
12 the Board of Directors at subsequent elections.

13 (d) After the initial election of Directors, the
14 appropriate number of successor Directors shall be
15 elected to serve for two-year terms and until their
16 successors are elected and have qualified.

17 Revisor's Note

18 (1) Section 4A(a), Chapter 35, Acts of the 59th
19 Legislature, Regular Session, 1965, added by Chapter
20 472, Acts of the 67th Legislature, Regular Session,
21 1981, authorized the Parker County Commissioners Court
22 to determine whether the board should be elected, the
23 number of members to be elected, and the manner in
24 which the members are elected. The act also authorized
25 the commissioners court to order the initial election
26 of directors and prescribed the procedures for that
27 election. The number of directors and how they are
28 elected was established by referendum ballot at a
29 district election held in 1981, and the initial
30 election of directors was held in the spring of 1982.
31 The election in 1981 established that the board
32 consists of seven directors, including one director
33 elected from each commissioners precinct and three
34 directors elected from the district at large. The
35 revised law omits the provisions relating to the
36 initial election as executed but codifies the manner
37 of electing the board that resulted from the election.

38 (2) Sections 4A(a) and 4B(d), Chapter 35, Acts
39 of the 59th Legislature, Regular Session, 1965,
40 provide for directors to serve staggered two-year
41 terms. Section 285.081, Health and Safety Code,

1 applicable to this hospital district, provides a
2 mechanism by which the governing board of a hospital
3 district, on its own motion, may order that the members
4 are to be elected in even-numbered years to serve
5 staggered four-year terms. The revised law is drafted
6 accordingly and adds a reference to Section 285.081,
7 Health and Safety Code, for the convenience of the
8 reader.

9 (3) Section 4A(b), Chapter 35, Acts of the 59th
10 Legislature, Regular Session, 1965, added by Chapter
11 472, Acts of the 67th Legislature, Regular Session,
12 1981, requires the Parker County Commissioners Court
13 to appoint election officers for the initial election
14 of directors, to canvass the returns of the election,
15 and to declare the results. Section 4B(b) of that act
16 provides for the board to assume these duties at
17 subsequent elections. The revised law omits the
18 language in Section 4A(b) pertaining to the initial
19 election of directors as executed. In addition, the
20 revised law omits the requirement that the board
21 appoint election officers as superseded by the 1985
22 enactment of the Election Code, applicable to the
23 district under Section 1.002, Election Code. Chapters
24 31 and 32, Election Code, govern the appointment of
25 election officers. Finally, the revised law omits the
26 requirement that the board canvass the results of
27 subsequent directors' elections because it duplicates
28 Section 67.002, Election Code, which requires the
29 governing body of a political subdivision that orders
30 an election to canvass the returns.

31 (4) Section 4B(d), Chapter 35, Acts of the 59th
32 Legislature, Regular Session, 1965, provides for
33 certain procedures to occur "[a]fter the initial
34 election of [d]irectors." Throughout this chapter,

1 the revised law omits the quoted language as executed.

2 (5) Section 4B(d), Chapter 35, Acts of the 59th
3 Legislature, Regular Session, 1965, provides that the
4 directors serve "until their successors are elected
5 and have qualified." The revised law omits that
6 provision because it duplicates Section 17, Article
7 XVI, Texas Constitution, which provides that an
8 officer in this state is to continue to perform the
9 officer's official duties until a successor has
10 qualified.

11 Revised Law

12 Sec. 1085.052. NOTICE OF ELECTION. At least 60 days before
13 the date of an election of directors, the board shall publish notice
14 of the election one time in a newspaper of general circulation in
15 the district. The notice must state the purpose of the election and
16 the election date. (Acts 59th Leg., R.S., Ch. 35, Secs. 4A(b)
17 (part), 4B(b).)

18 Source Law

19 [Sec. 4A]

20 (b) If an election of Directors is ordered as
21 provided by Subsection (a) of this section, the
22 Commissioners Court shall publish notice of the
23 election one (1) time in a newspaper of general
24 circulation in the District at least sixty (60) days
25 before the election date. The notice shall state the
26 purpose of the election and the election date. . . .

27 [Sec. 4B]

28 (b) The duties imposed on the Commissioners
29 Court by Section 4A(b) of this Act shall be assumed by
30 the Board of Directors at subsequent elections.

31 Revisor's Note

32 Section 4A(b), Chapter 35, Acts of the 59th
33 Legislature, Regular Session, 1965, requires the
34 Parker County Commissioners Court to provide notice of
35 the initial election of directors. Section 4B(b) of
36 that act provides for the board to assume this duty at
37 subsequent elections. The revised law omits the
38 language in Section 4A(b) pertaining to the initial
39 election of directors as executed.

1 Revised Law

2 Sec. 1085.053. 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 10 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 59th Leg., R.S., Ch. 35,
13 Secs. 4A(c) (part), 4B(c).)

14 Source Law

15 [Sec. 4A]

16 (c) A person who desires to have his name
17 printed on the ballot as a candidate for Director at
18 the initial election of Directors shall file with the
19 Commissioners Court at least thirty-one (31) days
20 before the election date a petition signed by at least
21 ten (10) qualified voters residing in the District
22 asking that his name be printed on the ballot as a
23 candidate. . . . If the Commissioners Court
24 determines that some Board members shall be elected
25 from commissioner precincts and some shall be elected
26 from the District at large, the candidate shall ask
27 that his name be printed on the ballot as a candidate
28 to represent a specific precinct area or the District
29 at large. . . .

30 [Sec. 4B]

31 (c) A person who desires to have his name
32 printed on the ballot as a candidate for membership on
33 the Board shall file a petition as provided by Section
34 4A(c) of this Act with the Secretary of the Board.

35 Revisor's Note

36 (1) Section 4A(c), Chapter 35, Acts of the 59th
37 Legislature, Regular Session, 1965, states that a
38 person must file a petition with the Parker County
39 Commissioners Court to have the person's name included
40 as a candidate for director at the initial election of
41 directors. Section 4B(c) of the act states that a
42 person must file the petition with the board secretary
43 to have the person's name included as a candidate for

1 director at subsequent elections. Since the initial
2 election of directors has been held, the revised law
3 omits the reference in Section 4A(c) to the filing
4 process for the initial election as executed.

5 (2) Section 4A(c), Chapter 35, Acts of the 59th
6 Legislature, Regular Session, 1965, describes
7 procedures to be followed if a different method for
8 electing directors had been adopted. Since the
9 commissioners court determined that some board members
10 are elected by precinct and some are elected from the
11 district at large, the revised law omits those other
12 provisions as inapplicable. The omitted law reads:

13 (c) . . . If the Commissioners Court
14 determines that Board members shall be
15 elected from commissioner precincts, the
16 candidate shall ask that his name be printed
17 on the ballot as a candidate to represent a
18 specific commissioner precinct. . . . If
19 the Commissioners Court determines that
20 Board members shall be elected by place, the
21 candidate shall designate in his
22 application the place number for which he is
23 to be a candidate.

24 (3) Section 4A(c), Chapter 35, Acts of the 59th
25 Legislature, Regular Session, 1965, refers to a
26 petition signed by at least 10 "qualified voters"
27 residing in the district. Throughout this chapter,
28 the revised law substitutes "registered voters" for
29 the quoted language because in the context of
30 eligibility to sign a petition, Section 277.0021,
31 Election Code, provides that "qualified voter" means
32 "registered voter."

33 Revised Law

34 Sec. 1085.054. BOARD VACANCY. If a vacancy occurs in the
35 office of director, the remaining directors shall appoint a
36 director for the unexpired term. (Acts 59th Leg., R.S., Ch. 35,
37 Sec. 4A(h).)

38 Source Law

39 (h) After the initial election of Directors, a
40 vacancy in the membership of the Board shall be filled

1 for the unexpired term by the remaining members of the
2 Board.

3 Revised Law

4 Sec. 1085.055. OFFICERS. (a) The board shall elect a
5 president, vice president, and secretary from among its members.

6 (b) Each officer of the board serves for a term of one year.
7 (Acts 59th Leg., R.S., Ch. 35, Sec. 4A(g).)

8 Source Law

9 (g) After the initial election of Directors, the
10 Board of Directors shall organize by electing one (1)
11 of their number as President, one (1) as Vice
12 President, and one (1) as Secretary. Officers shall be
13 elected for a term of one (1) year.

14 Revised Law

15 Sec. 1085.056. DISTRICT ADMINISTRATOR; ASSISTANT
16 ADMINISTRATOR. (a) The board may appoint and employ a qualified
17 person as district administrator.

18 (b) The board may appoint and employ an assistant
19 administrator.

20 (c) The district administrator and any assistant
21 administrator serve at the will of the board and are entitled to the
22 compensation determined by the board.

23 (d) On assuming the duties of district administrator, the
24 administrator shall execute a bond payable to the district in an
25 amount set by the board of not less than \$5,000 that:

26 (1) is conditioned on the administrator performing the
27 administrator's duties; and

28 (2) contains any other condition the board may
29 require. (Acts 59th Leg., R.S., Ch. 35, Sec. 5 (part).)

30 Source Law

31 Sec. 5. The board of directors . . . shall have
32 the power:

33 . . .
34 (3) to appoint and employ a qualified
35 person to be the administrator or manager of the
36 hospital district and may in its discretion appoint
37 and employ an assistant to the administrator or
38 manager. Such administrator or manager and assistant
39 administrator or assistant manager, if any, shall
40 serve at the will of the board and shall receive such
41 compensation as may be fixed by the board. The
42 administrator or manager shall, upon assuming his
43 duties, execute a bond payable to the hospital
44 district in an amount to be set by the board of

1 directors, in no event less than \$5,000, conditioned
2 that he shall perform the duties required of him, and
3 containing such other conditions as the board may
4 require. . . .

5 Revisor's Note

6 Section 5, Chapter 35, Acts of the 59th
7 Legislature, Regular Session, 1965, provides that the
8 board may appoint and employ a person as the
9 "administrator or manager" of the district and may
10 appoint and employ an "assistant administrator or
11 assistant manager." Throughout this chapter, the
12 revised law omits "manager" because, in context,
13 "manager" is included in the meaning of
14 "administrator."

15 Revised Law

16 Sec. 1085.057. 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 59th
22 Leg., R.S., Ch. 35, Sec. 5 (part).)

23 Source Law

24 Sec. 5. . . .
25 (3) . . . The administrator or manager
26 shall supervise all the work and activities of the
27 district and shall have general direction of the
28 affairs of the district, subject to such limitations
29 as may be prescribed by the board;
30

31 Revised Law

32 Sec. 1085.058. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
33 board may appoint to the staff any physicians and employ any
34 technicians, nurses, and other employees the board considers
35 necessary for the efficient operation of the district.

36 (b) The board may provide that the district administrator
37 has the authority to hire district employees, including technicians
38 and nurses. (Acts 59th Leg., R.S., Ch. 35, Sec. 5 (part).)

1 the hospital district in all legal matters; provided,
2 however, that the Board of Directors shall be
3 authorized at its discretion to employ additional
4 legal counsel when the Board deems advisable.

5 The hospital district shall contribute
6 sufficient funds to the General Fund of the county for
7 the account of the budget of the County Attorney,
8 District Attorney or Criminal Attorney, as the case
9 may be, to pay all additional salaries and expenses
10 incurred by such officer in performing the duties
11 required of him by the District.

12 Revisor's Note

13 Section 17, Chapter 35, Acts of the 59th
14 Legislature, Regular Session, 1965, refers to "the
15 county." The revised law substitutes "Parker County"
16 for the quoted language because Parker County is the
17 county in which the district is located.

18 Revisor's Note
19 (End of Subchapter)

20 (1) Sections 2 and 3, Chapter 472, Acts of the
21 67th Legislature, Regular Session, 1981, provide for
22 the repeal of that act or for the repeal of Section 4,
23 Chapter 35, Acts of the 59th Legislature, Regular
24 Session, 1965, depending on whether the Parker County
25 Commissioners Court ordered an election of directors
26 as provided by Section 4A(a), Chapter 35, Acts of the
27 59th Legislature, Regular Session, 1965. As stated in
28 Revisor's Note (1) to Section 1085.051, a referendum
29 ballot was submitted to the voters of the district
30 under Section 4A(a) in 1981 and the initial election
31 of directors was held in the spring of 1982. The
32 revised law omits Section 2 of the act because the
33 Parker County Commissioners Court ordered an election
34 of directors within the period prescribed by that
35 section. The revised law omits Section 3 of that act as
36 executed. The omitted law reads:

37 Sec. 2. This Act expires if the
38 commissioners court does not order an
39 election of directors as provided by
40 Section 4A(a) of this Act within five years
41 after the effective date of this Act.

42 Sec. 3. If the commissioners court
43 orders an election of directors as provided
44 by Section 4A, Chapter 35, Acts of the 59th

1 Legislature, Regular Session, 1965, as
2 amended, Section 4 of that Act is repealed
3 when the initial election of directors is
4 held and those elected have qualified.

5 (2) Section 4A(d), Chapter 35, Acts of the 59th
6 Legislature, Regular Session, 1965, establishes
7 qualifications for election to the board at the
8 initial election. The revised law omits that
9 provision as executed. The omitted law reads:

10 (d) To qualify for election to the
11 Board at the initial election, a candidate
12 for Director must be at least eighteen (18)
13 years of age, must be a resident of the
14 District, and if the Commissioners Court
15 determines that members shall be elected
16 from commissioner precincts, a candidate
17 for Director for a precinct area must be a
18 resident of that precinct.

19 (3) Section 4A(e), Chapter 35, Acts of the 59th
20 Legislature, Regular Session, 1965, provides for the
21 expiration of the terms of the directors in office when
22 the initial election of directors occurred under
23 Section 4A(a). The revised law omits that provision as
24 executed. The omitted law reads:

25 (e) The terms of the appointed
26 members of the Board who are incumbent on
27 the date of the initial election of
28 Directors expire when their successors are
29 elected and have qualified.

30 (4) Section 4A(f), Chapter 35, Acts of the 59th
31 Legislature, Regular Session, 1965, requires each
32 director to take the constitutional oath of office.
33 The revised law omits that provision because Section
34 1, Article XVI, Texas Constitution, requires all
35 officers in this state to take the oath (or
36 affirmation) before assuming office. The omitted law
37 reads:

38 (f) Each Director shall take the
39 constitutional oath of office.

40 (5) Section 4B(a), Chapter 35, Acts of the 59th
41 Legislature, Regular Session, 1965, provides that the
42 Election Code governs elections of directors except as
43 otherwise provided by that section. The revised law

1 omits that provision because Section 1.002, Election
2 Code, provides that the Election Code applies to all
3 elections held in this state. An exception to the
4 application of the Election Code would apply by its own
5 terms. The omitted law reads:

6 (a) Except as provided by this
7 section, the Election Code governs
8 elections of Directors.

9 [Sections 1085.061-1085.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Revised Law

12 Sec. 1085.101. DISTRICT RESPONSIBILITY. The district has
13 full responsibility for:

14 (1) operating all hospital facilities for providing
15 medical and hospital care of indigent persons in the district; and

16 (2) providing medical and hospital care for the
17 district's needy inhabitants. (Acts 59th Leg., R.S., Ch. 35, Secs.
18 2 (part), 20 (part).)

19 Source Law

20 Sec. 2. . . . Such District shall assume full
21 responsibility for providing medical and hospital care
22 for its needy inhabitants and

23 Sec. 20. . . . The said hospital district shall
24 assume full responsibility for the operation of all
25 hospital facilities for the furnishing of medical and
26 hospital care of indigent persons within its
27 boundaries.

28 Revisor's Note

29 Sections 2 and 20, Chapter 35, Acts of the 59th
30 Legislature, Regular Session, 1965, provide that the
31 district "shall assume" full responsibility for
32 providing medical and hospital care for the district's
33 needy inhabitants and for the operation of hospital
34 facilities for indigent persons. The revised law
35 substitutes "has" for the quoted language because the
36 duty to assume responsibility is executed.

37 Revised Law

38 Sec. 1085.102. RESTRICTION ON POLITICAL SUBDIVISION

1 TAXATION AND DEBT. Parker County or a municipality in Parker County
2 may not impose a tax or issue bonds or other obligations for
3 hospital purposes or for medical treatment of indigent persons in
4 the district. (Acts 59th Leg., R.S., Ch. 35, Sec. 20 (part).)

5 Source Law

6 Sec. 20. After creation of the hospital
7 district, neither Parker County, Texas, nor any city
8 or town therein shall thereafter issue bonds or other
9 evidences of indebtedness for hospital purposes or for
10 medical treatment of indigent persons within such
11 boundaries, nor shall such political subdivisions levy
12 taxes for either of such purposes. . . .

13 Revisor's Note

14 (1) Section 20, Chapter 35, Acts of the 59th
15 Legislature, Regular Session, 1965, provides that
16 "[a]fter creation of the hospital district," certain
17 political subdivisions may not issue bonds or levy
18 taxes. The revised law omits the quoted language as
19 executed. In addition, throughout this chapter, the
20 revised law substitutes "impose" for "levy" because
21 the terms are synonymous and the former is more
22 commonly used.

23 (2) Section 20, Chapter 35, Acts of the 59th
24 Legislature, Regular Session, 1965, refers to a "city
25 or town." Throughout this chapter, the revised law
26 substitutes "municipality" for the quoted language
27 because the meaning of "municipality" includes both
28 cities and towns and because that is the term used in
29 the Local Government Code.

30 (3) Section 20, Chapter 35, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that
32 Parker County or a municipality located in Parker
33 County may not issue bonds or other "evidences of
34 indebtedness" for hospital purposes or medical
35 treatment. The revised law substitutes "obligations"
36 for "evidences of indebtedness" because, in context,
37 the terms are synonymous and "obligations" is more

1 commonly used.

2 Revised Law

3 Sec. 1085.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
4 The board shall manage, control, and administer the district's
5 hospitals and hospital system. (Acts 59th Leg., R.S., Ch. 35, Sec.
6 5 (part).)

7 Source Law

8 Sec. 5. The board of directors shall manage,
9 control, and administer the hospitals and hospital
10 system of the district and

11 Revised Law

12 Sec. 1085.104. HOSPITAL SYSTEM. The district shall provide
13 for:

- 14 (1) the establishment of a hospital system by:
 - 15 (A) purchasing, constructing, acquiring,
 - 16 repairing, or renovating buildings and equipment; and
 - 17 (B) equipping the buildings; and
- 18 (2) the administration of the hospital system for
19 hospital purposes. (Acts 59th Leg., R.S., Ch. 35, Sec. 2 (part).)

20 Source Law

21 Sec. 2. . . . thereafter the District shall
22 provide for the establishment of a hospital system by
23 the purchase, construction, acquisition, repair or
24 renovation of buildings and equipment, and equipping
25 same, and the administration thereof for hospital
26 purposes. . . .

27 Revised Law

28 Sec. 1085.105. RULES. The board may adopt rules as required
29 to administer this chapter. (Acts 59th Leg., R.S., Ch. 35, Sec. 11
30 (part).)

31 Source Law

32 Sec. 11. The Board of Directors of such District
33 shall have the power . . . to make such rules and
34 regulations as may be required to carry out the
35 provisions of this Act.

36 Revisor's Note

37 Section 11, Chapter 35, Acts of the 59th
38 Legislature, Regular Session, 1965, provides that the
39 board may "make such rules and regulations" as

1 required to carry out the act. The revised law
2 substitutes "adopt" for "make" because the terms are
3 synonymous and the former is more commonly used. The
4 revised law also omits the reference to "regulations"
5 because under Section 311.005(5), Government Code
6 (Code Construction Act), a rule is defined to include a
7 regulation.

8 Revised Law

9 Sec. 1085.106. 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 59th
14 Leg., R.S., Ch. 35, Sec. 11 (part).)

15 Source Law

16 Sec. 11. The Board of Directors of such District
17 shall have the power to prescribe the method and manner
18 of making purchases and expenditures by and for such
19 hospital district, and also shall be authorized to
20 prescribe all accounting and control procedures and
21

22 Revised Law

23 Sec. 1085.107. DISTRICT PROPERTY, FACILITIES, AND
24 EQUIPMENT. (a) The board shall determine the type, number, and
25 location of buildings required to maintain an adequate hospital
26 system.

27 (b) The board may construct, purchase, acquire, lease, add
28 to, maintain, operate, develop, regulate, sell, and convey all
29 land, property, property rights, equipment, hospital facilities,
30 and systems for the maintenance of hospitals, buildings, clinics,
31 structures, and any other facilities. (Acts 59th Leg., R.S., Ch.
32 35, Secs. 5 (part), 9.)

33 Source Law

34 Sec. 5. The board of directors . . . shall have
35 the power:
36 (1) to construct, . . . purchase and
37 acquire, lease, add to, maintain, operate, develop and
38 regulate, sell and convey all land, property, property
39 rights, equipment, hospital facilities, and systems
40 for the maintenance of hospitals, buildings, clinics,

1 structures, and any and all other facilities, and
2
3

4 Sec. 9. The Board of Directors is hereby given
5 complete discretion as to the type of buildings (both
6 as to number and location) required to establish and
7 maintain an adequate hospital system.

8 Revisor's Note

9 Section 9, Chapter 35, Acts of the 59th
10 Legislature, Regular Session, 1965, requires the board
11 to determine the buildings required to "establish and
12 maintain" an adequate hospital system. The revised
13 law omits the reference to establishing the hospital
14 system as executed.

15 Revised Law

16 Sec. 1085.108. EMINENT DOMAIN. (a) The district may:

17 (1) condemn and purchase all land, property, property
18 rights, equipment, hospital facilities, and systems for the
19 maintenance of hospitals, buildings, clinics, structures, and any
20 other facilities; and

21 (2) exercise the power of eminent domain to effect a
22 purpose described by Subdivision (1), or for acquiring or damaging
23 any land or property, including any kind of property appurtenant to
24 that land or property.

25 (b) The board must institute and exercise the power of
26 eminent domain under a resolution adopted by the board and in the
27 manner and by the procedure provided by Chapter 21, Property Code.
28 (Acts 59th Leg., R.S., Ch. 35, Sec. 5 (part).)

29 Source Law

30 Sec. 5. The board of directors . . . shall have
31 the power:

32 (1) to . . . condemn and purchase, . . .
33 all land, property, property rights, equipment,
34 hospital facilities, and systems for the maintenance
35 of hospitals, buildings, clinics, structures, and any
36 and all other facilities, and to exercise the right of
37 eminent domain to effectuate the foregoing purposes or
38 for the acquisition and damaging of the same or
39 property of any kind appurtenant thereto, and such
40 right of eminent domain shall be exercised and
41 instituted pursuant to a resolution of the board of
42 directors and constituted in the same manner and by the
43 same procedure as is or may be provided by law for the
44 exercise of the power of eminent domain by
45 incorporated cities and towns of the State of Texas in

1 the acquisition of property rights;

2 . . .

3 Revisor's Note

4 (1) Section 5, Chapter 35, Acts of the 59th
5 Legislature, Regular Session, 1965, provides that the
6 board must exercise the power of eminent domain in the
7 same manner and by the same procedure as is "provided
8 by law for the exercise of the power of eminent domain
9 by incorporated cities and towns of the State of
10 Texas." The revised law substitutes for the quoted
11 language a reference to Chapter 21, Property Code,
12 because that is the law governing eminent domain for
13 governmental entities in this state, including
14 municipalities.

15 (2) Section 15, Chapter 35, Acts of the 59th
16 Legislature, Regular Session, 1965, authorizes the
17 district to exercise the power of eminent domain to
18 acquire property within the district's boundaries.
19 The revised law omits Section 15 as superseded by
20 language added to Section 5 of the act under Chapter
21 444, Acts of the 64th Legislature, Regular Session,
22 1975. That language is revised in this section. The
23 omitted law reads:

24 Sec. 15. The District shall have the
25 right and power of eminent domain for the
26 purpose of acquiring by condemnation any
27 and all property of any kind and character
28 in fee simple, or any lesser interest
29 therein, within the boundaries of the
30 District necessary or convenient to the
31 powers, rights and privileges conferred by
32 this Act, in the manner provided by the
33 General Law with respect to condemnation by
34 counties.

35 Revised Law

36 Sec. 1085.109. GIFTS AND ENDOWMENTS. The board may accept
37 for the district a gift or endowment to be held in trust and
38 administered by the board for the purposes and under the
39 directions, limitations, or other provisions prescribed in writing
40 by the donor that are not inconsistent with the proper management

1 and objectives of the district. (Acts 59th Leg., R.S., Ch. 35, Sec.
2 19.)

3 Source Law

4 Sec. 19. The Board of Directors of the hospital
5 district is authorized on behalf of such District to
6 accept donations, gifts and endowments to be held in
7 trust and administered by the Board of Directors for
8 such purposes and under such directions, limitations
9 and provisions as may be prescribed in writing by the
10 donor not inconsistent with proper management and
11 object of the hospital district.

12 Revisor's Note

13 Section 19, Chapter 35, Acts of the 59th
14 Legislature, Regular Session, 1965, refers to
15 "donations" and "gifts." The revised law omits
16 "donations" because "donations" is included in the
17 meaning of "gifts."

18 Revised Law

19 Sec. 1085.110. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
20 CARE AND TREATMENT. (a) The board may contract with a county or a
21 municipality located outside the district's boundaries for the care
22 and treatment 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 treatment of a sick or injured person for whom this
26 state or the federal government is responsible. (Acts 59th Leg.,
27 R.S., Ch. 35, Sec. 5 (part).)

28 Source Law

29 Sec. 5. The board of directors . . . shall have
30 the power:

31 . . .
32 (5) to contract with any county or
33 incorporated municipality located outside its
34 boundaries for the care and treatment of the sick,
35 diseased, or injured persons of any such county or
36 municipality, and shall have the authority to contract
37 with the State of Texas and agencies of the federal
38 government for the treatment of sick, diseased, or
39 injured persons for whom the State of Texas or the
40 federal government is responsible; and
41 . . .

42 Revisor's Note

43 (1) Section 5, Chapter 35, Acts of the 59th
44 Legislature, Regular Session, 1965, refers to an

1 "incorporated municipality." The revised law omits
2 "incorporated" because under the Local Government Code
3 all municipalities must be incorporated.

4 (2) Section 5, Chapter 35, Acts of the 59th
5 Legislature, Regular Session, 1965, refers to the
6 treatment of "sick, diseased, or injured persons."
7 The revised law omits the reference to "diseased"
8 because "diseased" is included in the meaning of
9 "sick."

10 Revised Law

11 Sec. 1085.111. PAYMENT FOR TREATMENT; PROCEDURES. (a)

12 When a patient who resides in the district is admitted to a district
13 facility, the district administrator shall have an inquiry made
14 into the 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 the district administrator determines that the
19 patient or those relatives cannot pay all or part of the costs of
20 the care and treatment in the hospital, the amount of the costs that
21 cannot be paid becomes a charge against the district.

22 (c) If the district administrator determines that the
23 patient or those relatives can pay for all or part of the costs of
24 the patient's care and treatment, the patient or those relatives
25 shall be ordered to pay the district a specified amount each week
26 for the patient's support. The amount ordered must be
27 proportionate to the person's financial ability and may not exceed
28 the actual per capita cost of maintenance.

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

33 (e) If there is a dispute as to the ability to pay, or doubt
34 in the mind of the district administrator, the board shall hold a

1 hearing and, after calling witnesses, shall:

2 (1) resolve the dispute or doubt; and

3 (2) issue any appropriate orders.

4 (f) A final order of the board may be appealed to the
5 district court. The substantial evidence rule applies to the
6 appeal. (Acts 59th Leg., R.S., Ch. 35, Sec. 18.)

7 Source Law

8 Sec. 18. Whenever a patient residing within the
9 District has been admitted to the facilities thereof,
10 the Administrator or Manager shall cause inquiry to be
11 made as to his circumstances and those of the relatives
12 of such patient legally liable for his support. If he
13 finds that such patient or said relatives are able to
14 pay for his care and treatment in whole or in part, an
15 order shall be made directing such patient or said
16 relatives to pay to the hospital district for the
17 support of such patient a specified sum per week in
18 proportion to their financial ability, but such sum
19 shall not exceed the actual per capita cost of
20 maintenance. The Administrator or Manager shall have
21 power and authority to collect such sums from the
22 estate of the patient or his relatives legally liable
23 for his support in the manner provided by law for
24 collection of expenses in the last illness of a
25 deceased person. If the Administrator or Manager
26 finds that such patient or said relatives are not able
27 to pay either in whole or in part for his care and
28 treatment in such hospital, same shall become a charge
29 upon the hospital district as to the amount of the
30 inability to pay. Should there be any dispute as to
31 the ability to pay or doubt in the mind of the
32 Administrator or Manager, the Board of Directors shall
33 hear and determine same after calling witnesses, and
34 shall make such order or orders as may be proper.
35 Appeals from a final order of the Board shall lie to
36 the District Court. The substantial evidence rule
37 shall apply.

38 [Sections 1085.112-1085.150 reserved for expansion]

39 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

40 Revised Law

41 Sec. 1085.151. BUDGET. The district administrator shall
42 prepare an annual budget for approval by the board. (Acts 59th
43 Leg., R.S., Ch. 35, Sec. 6 (part).)

44 Source Law

45 Sec. 6. . . . In addition, the Administrator or
46 Manager shall prepare an annual budget for approval by
47 the Board of Directors of said District. . . .

48 Revised Law

49 Sec. 1085.152. NOTICE; HEARING; APPROVAL OF BUDGET. (a)
50 The board shall hold a public hearing on the proposed annual budget.

1 (b) Notice of the hearing must be published one time at
2 least 10 days before the date of the hearing.

3 (c) The board must approve the annual budget. (Acts 59th
4 Leg., R.S., Ch. 35, Sec. 6 (part).)

5 Source Law

6 Sec. 6. . . . A public hearing on the annual
7 budget shall be held by the Board of Directors after
8 notice of such hearing has been published one (1) time
9 at least ten (10) days before the date set therefor.
10 . . . the annual budget, and . . . shall be approved by
11 the Board of Directors. . . .

12 Revised Law

13 Sec. 1085.153. AMENDMENTS TO BUDGET. The budget may be
14 amended as required by circumstances. The board must approve all
15 amendments. (Acts 59th Leg., R.S., Ch. 35, Sec. 6 (part).)

16 Source Law

17 Sec. 6. . . . The annual budget may be amended
18 from time to time as the circumstances may require, but
19 [the annual budget, and] all amendments thereto, shall
20 be approved by the Board of Directors. . . .

21 Revisor's Note

22 Section 6, Chapter 35, Acts of the 59th
23 Legislature, Regular Session, 1965, states that the
24 board may amend the budget "from time to time." The
25 revised law omits the quoted language because the
26 authority to take an action implies the authority to do
27 so at any time.

28 Revised Law

29 Sec. 1085.154. RESTRICTION ON EXPENDITURES. Money may be
30 spent only for an expense included in the budget or an amendment to
31 the budget. (Acts 59th Leg., R.S., Ch. 35, Sec. 6 (part).)

32 Source Law

33 Sec. 6. . . . No expenditure may be made for any
34 expense not included in the original annual budget or
35 an amendment thereto. . . .

36 Revised Law

37 Sec. 1085.155. FISCAL YEAR. The district operates
38 according to a fiscal year that begins on October 1 and ends on
39 September 30. (Acts 59th Leg., R.S., Ch. 35, Sec. 6 (part).)

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Source Law

Sec. 6. The District shall be operated on a fiscal year commencing on October 1 of each year and ending on September 30 of the following year, and

Revised Law

Sec. 1085.156. AUDIT. (a) The district shall have an audit made of the district's financial condition.

(b) The audit shall be open to inspection at all times at the district's principal office. (Acts 59th Leg., R.S., Ch. 35, Sec. 6 (part).)

Source Law

Sec. 6. . . . it [the District] shall cause an audit to be made of the financial condition of said District, which shall at all times be open to inspection at the principal office of the District. . . .

Revised Law

Sec. 1085.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board:

- (1) a complete sworn statement of all district money;
- and
- (2) a complete account of the disbursements of that money. (Acts 59th Leg., R.S., Ch. 35, Sec. 6 (part).)

Source Law

Sec. 6. . . . As soon as practicable after the close of each fiscal year the Administrator or Manager shall prepare for the Board a full sworn statement of all moneys belonging to the District and a full account of the disbursements of same.

Revised Law

Sec. 1085.158. DEPOSITORY. (a) The board shall select one or more financial institutions to serve as a depository for district money.

(b) District money shall be immediately deposited on receipt with a depository institution, except that sufficient money must be remitted to the institution designated for the payment of principal of and interest on the district's outstanding bonds or other obligations assumed by the district in time for the

1 institution to make that payment on or before the maturity date of
2 the principal and interest.

3 (c) To the extent that money in a depository institution is
4 not insured by the Federal Deposit Insurance Corporation, the money
5 must be secured in the manner provided by law for the security of
6 county funds.

7 (d) Membership on the district's board of an officer or
8 director of a financial institution does not disqualify the
9 institution from being designated as a depository. (Acts 59th
10 Leg., R.S., Ch. 35, Sec. 12.)

11 Source Law

12 Sec. 12. The Board of Directors of the District
13 shall name one or more financial institutions to serve
14 as depository for the funds of the District. All such
15 funds shall, as derived and collected, be immediately
16 deposited with a depository institution, except that
17 sufficient funds shall be remitted to the institution
18 designated for the payment of principal of and
19 interest on the outstanding bonds of the District or
20 other obligations assumed by it and in time that such
21 money may be received by that institution for payment
22 on or prior to the date of maturity of such principal
23 and interest so to be paid. To the extent that funds in
24 a depository institution are not insured by the
25 Federal Deposit Insurance Corporation, they shall be
26 secured in the manner provided by law for security of
27 county funds. Membership on the Board of Directors of
28 an officer or director of a financial institution
29 shall not disqualify such institution from being
30 designated as depository.

31 Revisor's Note

32 Section 12, Chapter 35, Acts of the 59th
33 Legislature, Regular Session, 1965, refers to money
34 "derived and collected." The revised law substitutes
35 "on receipt" for the quoted language because the terms
36 are synonymous, and the former is more commonly used.

37 Revised Law

38 Sec. 1085.159. AUTHORITY TO BORROW MONEY. The board may
39 contract indebtedness or borrow money for district purposes on the
40 credit of the district or secured by revenues of district hospitals
41 and the hospital system. (Acts 59th Leg., R.S., Ch. 35, Sec. 5
42 (part).)

1 the time general obligation bonds are issued under Section
2 1085.201, the board shall impose an ad valorem tax at a rate
3 sufficient to create an interest and sinking fund and 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 lesser of:

8 (1) the maximum tax rate approved by district voters;
9 or

10 (2) 75 cents on each \$100 valuation of all taxable
11 property in the district. (Acts 59th Leg., R.S., Ch. 35, Sec. 7
12 (part).)

13 Source Law

14 Sec. 7. . . . At the time of the issuance of
15 any such bonds a tax shall be levied by the Board
16 sufficient to create an interest and sinking fund and
17 to pay the interest on and principal of said bonds as
18 same mature, providing such tax together with any
19 other taxes levied for said District shall not exceed
20 the maximum rate of tax approved by the resident
21 qualified property taxpaying voters or Seventy-Five
22 Cents (75¢) on each One Hundred Dollars (\$100)
23 valuation of taxable property in any one (1) year,
24 whichever amount is lesser. . . .

25 Revisor's Note

26 (1) Section 7, Chapter 35, Acts of the 59th
27 Legislature, Regular Session, 1965, requires the
28 district to levy a tax to pay the principal of and
29 interest on bonds. The revised law specifies that the
30 tax is an "ad valorem" tax because it is clear from the
31 source law that the tax is a property tax and "ad
32 valorem" is the term most commonly used to refer to a
33 property tax.

34 (2) Section 7, Chapter 35, Acts of the 59th
35 Legislature, Regular Session, 1965, refers to "the
36 resident qualified property taxpaying voters" of the
37 district. The revised law substitutes "district
38 voters" for "resident qualified" voters because
39 Chapter 11, Election Code, governs eligibility to vote

1 in an election in this state and allows only
2 "qualified" voters who are residents of the territory
3 covered by the election to vote in an election. The
4 revised law omits the reference to "property
5 taxpaying" voters because in Hill v. Stone, 421 U.S.
6 289, 95 S.Ct. 1637 (1975), the United States Supreme
7 Court determined that property ownership as a
8 qualification for voting is an unconstitutional denial
9 of equal protection.

10 Revised Law

11 Sec. 1085.203. GENERAL OBLIGATION BOND ELECTION. (a) The
12 board 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 shall call the election. The election must be
16 held in accordance with Chapter 1251, Government Code.

17 (c) The bond election order must specify:

- 18 (1) the date of the election;
- 19 (2) the location of the polling places;
- 20 (3) the presiding election officers;
- 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. (Acts 59th
24 Leg., R.S., Ch. 35, Sec. 7 (part).)

25 Source Law

26 Sec. 7. . . . No bonds shall be issued by such
27 hospital district . . . until authorized by a majority
28 of the qualified electors of the District who own
29 taxable property therein and who have duly rendered
30 the same for taxation voting at an election called for
31 such purpose. Except as provided in Section 8, such
32 election shall be called by the Board of Directors and
33 held in accordance with the provisions of Chapter 1,
34 Title 22 of the Revised Civil Statutes of Texas, as
35 amended, and except as therein otherwise provided,
36 shall be conducted in accordance with the General Laws
37 of Texas pertaining to elections. . . . The bond
38 election order shall specify the date of the election,
39 the amount of bonds to be authorized, the maximum
40 maturity thereof, the maximum rate of interest they
41 are to bear, the place or places where the election
42 shall be held and the presiding officers thereof.
43 . . .

1 Revisor's Note

2 (1) Section 7, Chapter 35, Acts of the 59th
3 Legislature, Regular Session, 1965, refers to a
4 majority vote of the "qualified electors of the
5 District who own taxable property therein and who have
6 duly rendered the same for taxation." The revised law
7 omits the references to "qualified" and to property
8 ownership as a qualification for voting for the
9 reasons stated in Revisor's Note (2) to Section
10 1085.202. In addition, throughout this chapter, the
11 revised law substitutes "voter" for "elector" because
12 the former is the term used in the Election Code.

13 (2) Section 7, Chapter 35, Acts of the 59th
14 Legislature, Regular Session, 1965, states that
15 "[e]xcept as provided in Section 8," the bond election
16 shall be called by the board and held in accordance
17 with certain election laws. As explained in the
18 revisor's note to the end of Subchapter A, Section 8 is
19 omitted from the revised law as executed. The revised
20 law therefore omits the reference.

21 (3) Section 7, Chapter 35, Acts of the 59th
22 Legislature, Regular Session, 1965, provides that an
23 election must be "held in accordance with the
24 provisions of Chapter 1, Title 22 of the Revised Civil
25 Statutes of Texas, as amended, and except as therein
26 otherwise provided, shall be conducted in accordance
27 with the General Laws of Texas pertaining to
28 elections." The election provisions of Chapter 1,
29 Title 22, Revised Statutes, are codified as Chapter
30 1251, Government Code, and the revised law is drafted
31 accordingly. The revised law omits the reference to
32 "except as therein otherwise provided" because an
33 exception to the application of the Election Code in
34 Chapter 1251, Government Code, would apply by its own

1 terms. The revised law omits the reference to the
2 "General Laws of Texas pertaining to elections"
3 because Section 1.002, Election Code, provides that
4 the Election Code applies to all elections held in this
5 state.

6 (4) Section 7, Chapter 35, Acts of the 59th
7 Legislature, Regular Session, 1965, requires the
8 district to make provisions for defraying the costs of
9 elections. The revised law omits that provision
10 because it duplicates Section 1.014, Election Code,
11 applicable to the district under Section 1.002 of that
12 code. The omitted law reads:

13 Sec. 7. . . . The District shall
14 make provisions for defraying the costs of
15 all elections called and held under the
16 provisions of this Act. . . .

17 Revised Law

18 Sec. 1085.204. EXECUTION OF GENERAL OBLIGATION BONDS. The
19 board president shall execute the general obligation bonds in the
20 district's name and the board secretary shall attest the bonds as
21 provided by Chapter 618, Government Code. (Acts 59th Leg., R.S.,
22 Ch. 35, Sec. 7 (part).)

23 Source Law

24 Sec. 7. . . . Such bonds shall be executed in
25 the name of the hospital district and in its behalf by
26 the President of the Board and attested by the
27 Secretary, as provided by Article 717j-1, V.C.S., and
28

29 Revisor's Note

30 Section 7, Chapter 35, Acts of the 59th
31 Legislature, Regular Session, 1965, refers to Article
32 717j-1, Vernon's Texas Civil Statutes. That statute
33 was codified in 1999 as Chapter 618, Government Code,
34 and the revised law is drafted accordingly.

35 Revised Law

36 Sec. 1085.205. REFUNDING BONDS. (a) The board may, without
37 an election, issue refunding bonds to refund any bonds issued or
38 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 outstanding bonds; or

4 (2) exchanged wholly or partly for not less than a
5 similar principal amount of the outstanding bonds. (Acts 59th
6 Leg., R.S., Ch. 35, Sec. 7 (part).)

7 Source Law

8 Sec. 7. . . . [No bonds shall be issued by such
9 hospital district] except refunding bonds [until
10 authorized by a majority of the qualified electors
11 . . . voting at an election]

12 The bonds of the District may be issued for the
13 purpose of refunding and paying off any bonds issued or
14 assumed by such District. Such refunding bonds may be
15 sold and the proceeds thereof applied to the payment of
16 outstanding bonds, or may be exchanged in whole or in
17 part for not less than a like principal amount of such
18 outstanding bonds

19 Revisor's Note

20 (1) Section 7, Chapter 35, Acts of the 59th
21 Legislature, Regular Session, 1965, limits the
22 interest rate for refunding bonds issued by the
23 district. The revised law omits that provision as
24 impliedly repealed by Section 2(a), Chapter 3, Acts of
25 the 61st Legislature, Regular Session, 1969 (Article
26 717k-2, Vernon's Texas Civil Statutes), which was
27 codified in 1999 as Section 1204.006(a), Government
28 Code. Section 1204.006(a), Government Code, permits a
29 public agency, including a hospital district, to issue
30 bonds at a net effective interest rate not to exceed 15
31 percent and applies to district bonds by application
32 of Section 1204.001, Government Code. The omitted law
33 reads:

34 Sec. 7. . . . provided that if
35 refunding bonds are to be exchanged for a
36 like amount of said outstanding bonds, such
37 refunding bonds shall bear interest at the
38 same or lower rate than borne by the bonds
39 refunded, unless it is shown mathematically
40 that a saving will result in the total
41 amount of interest to be paid on said
42 refunding bonds, and

43 (2) Section 7, Chapter 35, Acts of the 59th

1 Legislature, Regular Session, 1965, provides that
2 refunding bonds sold to pay outstanding bonds or other
3 refundable indebtedness must be issued and payments
4 made in the manner specified by "Article 717k, Revised
5 Civil Statutes of Texas, as amended." Article 717k was
6 codified in 1999 as part of Chapter 1207, Government
7 Code. The revised law omits the provision because
8 Chapter 1207, Government Code, applies to the district
9 by its own terms under Section 1207.001, Government
10 Code. The omitted law reads:

11 Sec. 7. . . . provided further, that
12 if such refunding bonds are to be sold and
13 the proceeds thereof applied to the payment
14 of any such outstanding bonds or other
15 refundable indebtedness, same shall be
16 issued and payments made in the manner
17 specified by Article 717k, Revised Civil
18 Statutes of Texas, as amended.

19 Revised Law

20 Sec. 1085.206. 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) the transfer and issuance of the bonds; and
25 (3) profits made in the sale of the bonds. (Acts 59th
26 Leg., R.S., Ch. 35, Sec. 10 (part).)

27 Source Law

28 Sec. 10. . . . any bonds issued by it [the
29 district] and their transfer, and the issuance
30 therefrom, including any profits made in the sale
31 thereof, shall at all times be free from taxation by
32 the state or any municipality or political subdivision
33 thereof.

34 Revisor's Note

35 Section 10, Chapter 35, Acts of the 59th
36 Legislature, Regular Session, 1965, refers to "any
37 municipality or political subdivision" of this state.
38 The revised law omits "municipality" because that term
39 is included in the meaning of "political subdivision."

Revisor's Note
(End of Subchapter)

(1) Section 7, Chapter 35, Acts of the 59th Legislature, Regular Session, 1965, provides that the district's general obligation bonds are subject to the law governing counties that relates to bond approval by the attorney general and registration of the bonds by the comptroller. The revised law omits that provision as superseded by Chapter 1202, Government Code (enacted as Article 3, Chapter 53, Acts of the 70th Legislature, 2nd Called Session, 1987). Section 1202.003(a), Government Code, requires bonds to be submitted to the attorney general. Section 1202.003(b), Government Code, provides for approval of the bonds by the attorney general and requires the attorney general to submit the approved bonds to the comptroller for registration. Section 1202.005, Government Code, requires registration of the bonds by the comptroller. Chapter 1202, Government Code, applies to district bonds by application of Section 1202.001, Government Code. The omitted law reads:

Sec. 7. . . . [Such bonds] . . . shall be subject to the same requirements in the matter of approval by the Attorney General of Texas and registration by the Comptroller of Public Accounts of the State of Texas as are by law provided for approval and registration of bonds issued by counties. . . .

(2) Section 14, Chapter 35, Acts of the 59th Legislature, Regular Session, 1965, provides that district bonds are authorized investments for certain entities. The revised law omits the provision as unnecessary. As to several of the entities listed, Section 14 has been superseded and impliedly repealed. Investments in securities by banks are regulated by Section 34.101, Finance Code (enacted in 1995 as Section 5.101, Texas Banking Act (Article 342-5.101, Vernon's Texas Civil Statutes)). Investments in

1 securities by savings banks are regulated by Section
2 93.001(c)(10), Finance Code (enacted in 1993 as
3 Section 7.15(10), Texas Savings Bank Act (Article
4 489e, Vernon's Texas Civil Statutes)). Investments in
5 securities by trust companies are regulated by Section
6 184.101, Finance Code (enacted in 1997 as Section
7 5.101, Texas Trust Company Act (Article 342a-5.101,
8 Vernon's Texas Civil Statutes)). Investments in
9 securities by savings and loan associations are
10 regulated by Sections 63.002 and 64.001, Finance Code.
11 As to the remaining entities listed, Section 14 is
12 superseded by Section 1201.041, Government Code
13 (enacted as Section 9, Bond Procedures Act of 1981
14 (Article 717k-6, Vernon's Texas Civil Statutes)).
15 While Section 14 lists "guardians" and Section
16 1201.041 does not, the latter statute includes
17 "fiduciaries," and a guardian is a fiduciary. Section
18 1201.041, Government Code, applies to district bonds
19 by application of Section 1201.002, Government Code.
20 The revised law omits the reference to public funds of
21 this state because it has been superseded by Section
22 404.024, Government Code (enacted in 1985 as Section
23 2.014, Treasury Act (Article 4393-1, Vernon's Texas
24 Civil Statutes)), which governs the investment of
25 state funds. Section 404.024(b)(10), Government Code,
26 authorizes the investment of state funds in
27 obligations of political subdivisions, including
28 hospital districts. The omitted law reads:

29 Sec. 14. All bonds of the District
30 shall be and are hereby declared to be legal
31 and authorized investments of banks,
32 savings banks, trust companies, building
33 and loan associations, savings and loan
34 associations, insurance companies,
35 fiduciaries, trustees, guardians, and
36 sinking funds of cities, towns, villages,
37 counties, school districts, or other
38 political subdivisions of the State of
39 Texas, and for all public funds of the State
40 of Texas or its agencies including the State

1 Permanent School Fund. . . .

2 (3) Section 14, Chapter 35, Acts of the 59th
3 Legislature, Regular Session, 1965, effectively
4 provides that district bonds may secure deposits of
5 public funds of this state or political subdivisions
6 of this state. The revised law omits the provision as
7 impliedly repealed by Section 404.0221, Government
8 Code (enacted in 1995), which lists eligible
9 collateral for deposits of state funds by the
10 comptroller, and by Chapter 2257, Government Code
11 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
12 Statutes), which governs eligible collateral for
13 deposits of funds of other public agencies, including
14 political subdivisions. The omitted law reads:

15 Sec. 14. . . . Such bonds shall be
16 eligible to secure deposit of public funds
17 of the State of Texas and public funds of
18 cities, towns, villages, counties, school
19 districts or other political subdivisions
20 or corporations of the State of Texas, and
21 such bonds shall be lawful and sufficient
22 security for said deposits to the extent of
23 their value when accompanied by all
24 unmatured coupons appurtenant thereto.

25 [Sections 1085.207-1085.250 reserved for expansion]

26 SUBCHAPTER F. GENERAL TAX PROVISIONS

27 Revised Law

28 Sec. 1085.251. IMPOSITION OF AD VALOREM TAX. (a) The board
29 shall impose a tax on all property in the district subject to
30 district taxation.

31 (b) The board shall impose the tax to pay:

- 32 (1) indebtedness issued or assumed by the district;
33 and
34 (2) the maintenance and operating expenses of the
35 district. (Acts 59th Leg., R.S., Ch. 35, Secs. 13 (part), 16
36 (part).)

37 Source Law

38 Sec. 13. The Board of Directors shall annually
39 levy a tax . . . for the purpose of paying (1) the
40 indebtedness assumed or issued by the District, and
41 (2) the maintenance and operating expenses of the

1 District. . . .

2 Sec. 16. The District taxes shall be assessed
3 and collected . . . upon all taxable property within
4 said District, subject to hospital district taxation.
5 . . .

6 Revised Law

7 Sec. 1085.252. TAX RATE. (a) The board may impose the tax
8 at a rate not to exceed the lesser of:

9 (1) the maximum tax rate approved by district voters;

10 or

11 (2) 75 cents on each \$100 valuation of all taxable
12 property in the district.

13 (b) In setting the tax rate, the board shall consider the
14 income of the district from sources other than taxation. (Acts 59th
15 Leg., R.S., Ch. 35, Secs. 3 (part), 13 (part).)

16 Source Law

17 Sec. 3. . . . [hospital district shall be
18 created with authority to levy annual taxes] at a rate
19 not to exceed Seventy-Five Cents (75¢) on the One
20 Hundred Dollars (\$100) valuation of taxable property
21 within such District . . . provided, however, the
22 Commissioners Court may in the election order provide
23 that the tax to be levied by the hospital district,
24 . . . shall be less than Seventy-Five Cents (75¢) on
25 the One Hundred Dollars (\$100) valuation, and in such
26 event . . . such rate shall be the maximum tax which
27 may be levied by the District for all of the purposes
28 aforesaid. . . .

29 Sec. 13. [The board of directors shall annually
30 levy a tax] of not to exceed the amount hereinabove
31 permitted In setting such tax rate the Board
32 shall take into consideration the income of the
33 District from sources other than taxation. . . .

34 Revisor's Note

35 Section 13, Chapter 35, Acts of the 59th
36 Legislature, Regular Session, 1965, requires the board
37 to levy the tax and to certify the tax rate to the
38 county tax assessor-collector. The revised law omits
39 that provision because Section 26.05(a), Tax Code,
40 requires the governing body of a taxing unit to adopt a
41 tax rate for the current tax year and to notify the tax
42 assessor of that rate. The omitted law reads:

43 Sec. 13. . . . Upon determination of
44 the amount of tax required to be levied, the
45 Board shall make such levy and certify the

1 same to the Tax Assessor-Collector of
2 Parker County, Texas.

3 Revised Law

4 Sec. 1085.253. ELECTION TO INCREASE MAXIMUM TAX RATE. (a)
5 The board may order an election to increase the district's maximum
6 tax rate to a rate not to exceed 75 cents on each \$100 valuation of
7 taxable property in the district.

8 (b) The maximum tax rate may not be increased unless the
9 increase is approved by a majority of the district voters voting in
10 an election held for that purpose.

11 (c) An election held under this section must be ordered and
12 notice must be given in the manner provided for a bond election
13 under Subchapter E. (Acts 59th Leg., R.S., Ch. 35, Sec. 3 (part).)

14 Source Law

15 Sec. 3. . . . The Board of Directors of the
16 District, in the event the same is created, shall have
17 the authority to call a subsequent election or
18 elections for the purpose of determining whether the
19 maximum rate of tax shall be increased, but in no event
20 shall the District ever be authorized to levy a tax in
21 excess of Seventy-Five Cents (75¢) on the One Hundred
22 Dollars (\$100) valuation. The election to increase
23 the maximum tax shall be called and notice thereof
24 given in the manner provided in Section 7 of this Act
25 with respect to the issuance of bonds by the District,
26 and only resident qualified property taxpaying
27 electors of the District shall be permitted to vote, a
28 majority of those participating in the election being
29 required to authorize such higher rate of
30 taxation. . . .

31 Revisor's Note

32 Section 3, Chapter 35, Acts of the 59th
33 Legislature, Regular Session, 1965, states that "only
34 resident qualified property taxpaying electors of the
35 District shall be permitted to vote" in an election to
36 increase the tax rate. The revised law omits the
37 references to "qualified" and to property ownership as
38 a qualification for voting for the reasons stated in
39 Revisor's Note (2) to Section 1085.202.

40 Revised Law

41 Sec. 1085.254. TAX ASSESSOR-COLLECTOR. The tax
42 assessor-collector of Parker County shall assess and collect taxes
43 imposed by the district. (Acts 59th Leg., R.S., Ch. 35, Sec. 16

1 (part).)

2 Source Law

3 Sec. 16. . . . The Tax Assessor-Collector of
4 Parker County shall be charged and required to
5 accomplish the assessment and collection of all taxes
6 levied by and on behalf of the District. . . .

7 Revisor's Note

8 (1) Section 16, Chapter 35, Acts of the 59th
9 Legislature, Regular Session, 1965, requires district
10 taxes to be assessed and collected on county tax values
11 in the same manner as provided by law with relation to
12 county taxes. The revised law omits that provision
13 because it was repealed by Section 6(b), Chapter 841,
14 Acts of the 66th Legislature, Regular Session, 1979,
15 which repealed all "general, local, and special laws"
16 that conflicted with that act. The 1979 Act enacted
17 the Property Tax Code (Title 1, Tax Code), a
18 comprehensive, substantive codification of property
19 tax law. Title 1, Tax Code, provides the exclusive
20 procedures for the appraisal of property for taxation
21 by a taxing unit, including a hospital district, and
22 for the assessment and collection of those taxes. The
23 omitted law reads:

24 Sec. 16. . . . The District taxes
25 shall be assessed and collected on county
26 tax values in the same manner as provided by
27 law with relation to county taxes

28 (2) Section 16, Chapter 35, Acts of the 59th
29 Legislature, Regular Session, 1965, provides that the
30 county tax assessor-collector may charge a fee for the
31 assessment and collection of district taxes. The
32 revised law omits that provision because it was
33 repealed by Section 6(b), Chapter 841, Acts of the 66th
34 Legislature, Regular Session, 1979. See Revisor's
35 Note (1). Section 6.27(b), Tax Code, provides for the
36 compensation of a county tax assessor-collector
37 assessing and collecting taxes for another taxing

1 unit. The omitted law reads:

2 Sec. 16. . . . The Assessor-Collector
3 of taxes shall charge and deduct from
4 payments to the hospital district the dues
5 for assessing and collecting the taxes at a
6 rate of not to exceed one per cent (1%) for
7 assessing, and one per cent (1%) for
8 collecting, each based upon the amount
9 collected. Such fees shall be deposited in
10 the officers' salary fund of the county and
11 reported as fees of office of the County
12 Assessor-Collector. . . .

13 (3) Section 16, Chapter 35, Acts of the 59th
14 Legislature, Regular Session, 1965, provides that
15 interest and penalties on district taxes and discounts
16 are the same as for county taxes. The revised law
17 omits that provision because it was repealed by
18 Section 6(b), Chapter 841, Acts of the 66th
19 Legislature, Regular Session, 1979. See Revisor's
20 Note (1). Chapter 33, Tax Code, provides for the
21 assessment of penalties and interest on delinquent
22 taxes, and Section 31.05, Tax Code, provides for
23 discounts on the early payment of taxes. The omitted
24 law reads:

25 Sec. 16. . . . Interest and
26 penalties on taxes paid to the hospital
27 district shall be the same as in the case of
28 county taxes. Discounts shall be the same
29 as allowed by the county. . . .

30 (4) Section 16, Chapter 35, Acts of the 59th
31 Legislature, Regular Session, 1965, provides that tax
32 revenue shall be deposited in the district's
33 depository. The revised law omits the provision
34 because Section 31.10, Tax Code, requires the tax
35 assessor-collector of a taxing unit to deposit taxes
36 collected in the unit's depository. The omitted law
37 reads:

38 Sec. 16. . . . The residue of tax
39 collections, after deduction of discounts
40 and fees for assessing and collecting,
41 shall be deposited in the District's
42 depository. . . .

43 (5) Section 16, Chapter 35, Acts of the 59th

1 Legislature, Regular Session, 1965, provides that the
2 bond of the county tax assessor-collector is security
3 for the performance of district duties unless the
4 board determines that an additional bond is necessary.
5 The revised law omits that provision because it
6 duplicates Section 6.29(b), Tax Code, which authorizes
7 a taxing unit for which the county tax
8 assessor-collector collects a tax to require that
9 collector to post an additional bond. The omitted law
10 reads:

11 Sec. 16. . . . The bond of the County
12 Tax Assessor-Collector shall stand as
13 security for the proper performance of his
14 duties as Assessor-Collector of the
15 District, or if in the judgment of the
16 District Board of Directors it is
17 necessary, additional bond payable to the
18 District may be required. . . .

19 (6) Section 16, Chapter 35, Acts of the 59th
20 Legislature, Regular Session, 1965, states that the
21 tax assessor-collector may act in accordance with
22 state law relating to the assessment, collection, and
23 enforcement of state and county taxes. The revised law
24 omits that provision as unnecessary. The state law
25 relating to the assessment, collection, and
26 enforcement of all ad valorem taxes is Title 1, Tax
27 Code. Section 1.02, Tax Code, requires all taxing
28 units of government to administer the assessment,
29 collection, and enforcement of taxes in conformity
30 with that title. The omitted law reads:

31 Sec. 16. . . . In all matters
32 pertaining to the assessment, collection
33 and enforcement of taxes for the District,
34 the County Tax Assessor-Collector shall be
35 authorized to act in all respects according
36 to the laws of the State of Texas relating
37 to state and county taxes.

38 Revisor's Note
39 (End of Subchapter)

40 Section 16, Chapter 35, Acts of the 59th
41 Legislature, Regular Session, 1965, provides that the

1 district may impose taxes for the entire year in which
2 the district is established. The revised law omits
3 that provision as executed. The omitted law reads:

4 Sec. 16. . . . The Board of
5 Directors shall have the authority to levy
6 the aforesaid tax for the entire year in
7 which said District is established as the
8 result of the election herein provided.

9 [Sections 1085.255-1085.300 reserved for expansion]

10 SUBCHAPTER G. SALES AND USE TAX

11 Revised Law

12 Sec. 1085.301. DEFINITION: TAXABLE ITEM. (a) In this
13 subchapter, "taxable item" includes only an item that is subject to
14 a sales and use tax that might also be imposed by Parker County in
15 the district. The term does not include an item that is not subject
16 to a sales and use tax imposed by Parker County in the district.

17 (b) A change in the taxable status of an item for purposes of
18 a sales and use tax imposed by Parker County results in the same
19 change in the taxable status of the item for purposes of the tax
20 imposed by the district. (Acts 59th Leg., R.S., Ch. 35, Sec. 13A(b)
21 (part).)

22 Source Law

23 (b) . . . For purposes of this section, the
24 term "taxable items" shall include all items subject
25 to any sales and use tax that might also be imposed by
26 Parker County within the affected region. The term
27 "taxable items" shall not include any items that are
28 not subject to a sales and use tax imposed by Parker
29 County within the affected region. Any change in the
30 taxable status of an item for purposes of a sales and
31 use tax imposed by Parker County shall effect the same
32 change at the same time in taxable status of the item
33 under the tax imposed under this Act. . . .

34 Revisor's Note

35 Section 13A(b), Acts of the 59th Legislature,
36 Regular Session, 1965, refers to the "affected
37 region." It is clear from the source law that the
38 "affected region" for purposes of this subchapter is
39 the hospital district. Therefore, the revised law
40 substitutes "district" for "affected region"
41 throughout this subchapter.

1 Revised Law

2 Sec. 1085.302. SALES AND USE TAX AUTHORIZED. The district
3 may adopt a sales and use tax for the benefit of the district if the
4 tax is approved by a majority of the voters of the district voting
5 at an election held for that purpose. (Acts 59th Leg., R.S., Ch.
6 35, Sec. 13A(a) (part).)

7 Source Law

8 Sec. 13A. (a) The District may levy a sales and
9 use tax for the benefit of the District if the tax is
10 authorized by a majority of the qualified voters of the
11 District voting at an election called and held for that
12 purpose. . . .

13 Revisor's Note

14 Section 13A(a), Chapter 35, Acts of the 59th
15 Legislature, Regular Session, 1965, provides that the
16 district may levy a sales and use tax if the tax is
17 authorized at an election "called and held" for that
18 purpose. The revised law omits the reference to
19 "calling" an election because, in this context,
20 "calling" an election is included in the meaning of
21 "holding" an election. Under Chapter 3, Election
22 Code, all elections must be ordered (called) before
23 they may be held.

24 Revised Law

25 Sec. 1085.303. SALES TAX. (a) If the district adopts the
26 tax under Section 1085.302, a tax is imposed on the receipts from
27 the sale at retail of taxable items in the district.

28 (b) The rate of the tax imposed under Subsection (a) is
29 one-half of one percent. (Acts 59th Leg., R.S., Ch. 35, Sec. 13A(b)
30 (part).)

31 Source Law

32 (b) If the District adopts the tax, there is
33 imposed a tax on the receipts from the sale at retail
34 of taxable items within the District at the rate of
35 one-half of one percent. . . .

36 Revised Law

37 Sec. 1085.304. USE TAX. (a) If the district adopts the tax
38 under Section 1085.302, an excise tax is imposed on the use,

1 storage, or other consumption in the district of taxable items
2 purchased, leased, or rented from a retailer during the period that
3 the tax is effective in the district.

4 (b) The rate of the excise tax is the same as the rate of the
5 sales tax portion of the sales and use tax and is applied to the
6 sales price of the taxable items. (Acts 59th Leg., R.S., Ch. 35,
7 Sec. 13A(b) (part).)

8 Source Law

9 (b) . . . There is also imposed an excise tax on
10 the use, storage, or other consumption within the
11 District of taxable items purchased, leased, or rented
12 from a retailer during the period that the tax is
13 effective within the District. The rate of the excise
14 tax is the same as the rate of the sales tax portion of
15 the tax and is applied to the sales price of the
16 taxable items.

17 Revised Law

18 Sec. 1085.305. CONSIDERATION OF TAX RATE. The rate of the
19 sales and use tax imposed by the district under this subchapter is
20 not counted in determining the limitation prescribed by law on
21 local sales and use taxes imposed by a municipality or county in the
22 district. (Acts 59th Leg., R.S., Ch. 35, Sec. 13A(a) (part).)

23 Source Law

24 (a) . . . Such sales and use tax, if adopted,
25 shall not count toward the limitation already imposed
26 by law upon sales and use taxes levied by a city or a
27 county in the affected region.

28 Revised Law

29 Sec. 1085.306. APPLICABILITY OF TAX CODE. (a) Except as
30 provided by Subsection (b) and Section 1085.307, Chapter 323, Tax
31 Code, governs:

32 (1) an election to approve the adoption of the sales
33 and use tax under this subchapter; and

34 (2) the imposition, computation, administration,
35 governance, use, and repeal of the tax.

36 (b) The following sections of the Tax Code do not apply to
37 the sales and use tax under this subchapter:

38 (1) Sections 323.101(d) and (e); and

39 (2) Section 323.209.

1 (c) In determining procedures under Chapter 323, Tax Code:

2 (1) a reference in that chapter to "the county" means
3 the district; and

4 (2) a reference to the "commissioners court" means the
5 board. (Acts 59th Leg., R.S., Ch. 35, Sec. 13A(c).)

6 Source Law

7 (c) The County Sales and Use Tax Act (Chapter
8 323, Tax Code) governs an election to authorize the
9 imposition of the sales and use tax and governs the
10 imposition, computation, administration, governance,
11 abolition, and use of the tax, except that Sections
12 323.101(d) and (e) and Section 323.209 do not apply. In
13 determining procedures under the County Sales and Use
14 Tax Act (Chapter 323, Tax Code), the District's name is
15 substituted for "the county" and "Board of Directors"
16 is substituted for "commissioners court."

17 Revisor's Note

18 (1) Section 13A(c), Acts of the 59th
19 Legislature, Regular Session, 1965, provides that
20 Chapter 323, Tax Code, governs an election to
21 "authorize the imposition" of the sales and use tax
22 under Section 13A and governs the "abolition" of the
23 tax. For consistency with the terminology used in
24 Chapter 323, Tax Code, the revised law substitutes
25 "approve" for "authorize," "adoption" for authorizing
26 the imposition, and "repeal" for "abolition"
27 throughout this subchapter.

28 (2) Section 13A(c), Chapter 35, Acts of the 59th
29 Legislature, Regular Session, 1965, provides that
30 Chapter 323, Tax Code, governs the repeal of the tax.
31 Section 13A(d), Chapter 35, Acts of the 59th
32 Legislature, Regular Session, 1965, codified as
33 Section 1085.307, provides repeal procedures that
34 differ in part from the procedures prescribed by
35 Chapter 323, Tax Code, and the revised law is drafted
36 accordingly.

37 Revised Law

38 Sec. 1085.307. REPEAL OF TAX. (a) If the district adopts
39 the tax under Section 1085.302, the county clerk of Parker County

1 shall place on the ballot a proposition on the question of repealing
2 the tax if the county clerk receives a petition requesting the
3 repeal that is signed by a number of registered voters of the
4 district equal to at least 10 percent of the total number of votes
5 cast in the most recent election at which the adoption of the tax
6 was approved.

7 (b) The county clerk shall place the proposition on the
8 ballot at the first November uniform election date that occurs at
9 least 121 days after the date the county clerk receives the
10 petition.

11 (c) If a majority of the voters voting in the election to
12 repeal the tax approve the repeal, the repeal of the tax takes
13 effect on the January 1 following the election. (Acts 59th Leg.,
14 R.S., Ch. 35, Sec. 13A(d).)

15 Source Law

16 (d) The sales and use tax for the Parker County
17 Hospital District, if approved, may subsequently be
18 repealed in the following manner: A petition
19 containing signatures from registered voters in
20 quantity not less than ten per cent (10%) of the total
21 number of all votes cast on the most recent successful
22 proposition to establish such sales and use tax shall
23 be submitted to the County Clerk who shall proceed to
24 place such question of repeal on the official ballot
25 for the consideration of all voters on the first
26 Tuesday after the first Monday in November of any year;
27 provided, however, that if a proper petition be
28 presented to the County Clerk within one hundred
29 twenty (120) days prior to the first Tuesday after the
30 first Monday in November, then the County Clerk shall
31 place such question on the ballot on such date the
32 following year. If a majority of the votes be cast in
33 favor of repealing the sales and use tax, then such tax
34 shall cease to be levied on the following January 1.

35 Revisor's Note

36 Section 13A(d), Chapter 35, Acts of the 59th
37 Legislature, Regular Session, 1965, refers to an
38 election held on "the first Tuesday after the first
39 Monday in November." The revised law substitutes
40 uniform election date in November because, under
41 Section 41.001, Election Code, the first Tuesday after
42 the first Monday in November is the uniform election
43 date in November.

1 Revisor's Note
2 (End of Subchapter)

3 Section 5, Chapter 66, Acts of the 71st
4 Legislature, Regular Session, 1989, states that the
5 sales and use tax may not be imposed before January 1,
6 1991. The revised law omits that provision as
7 executed. The omitted law reads:

8 Sec. 5. The tax adopted under Section
9 13A, Chapter 35, Acts of the 59th
10 Legislature, Regular Session, 1965, as
11 added by this Act, shall not be imposed
12 prior to January 1, 1991.

13 Revisor's Note
14 (End of Chapter)

15 (1) Section 2, Chapter 35, Acts of the 59th
16 Legislature, Regular Session, 1965, provides for the
17 transfer of certain land, buildings, improvements, and
18 equipment to the district after the district is
19 created and provides for the assumption of debt by the
20 district on creation. The revised law omits the
21 provisions as executed. The omitted law reads:

22 Sec. 2. The District herein
23 authorized to be created shall take over and
24 there shall be transferred to it title to
25 all lands, buildings, improvements and
26 equipment in anywise pertaining to the
27 hospitals or hospital system owned by
28 Parker County and any city or town within
29 such county and [Such District]
30 . . . shall assume the outstanding
31 indebtedness which shall have been incurred
32 by any city or town or by Parker County for
33 hospital purposes prior to the creation of
34 said District.

35 (2) Section 22, Chapter 35, Acts of the 59th
36 Legislature, Regular Session, 1965, provides that the
37 act is severable. The revised law omits that provision
38 because it duplicates Section 311.032, Government Code
39 (Code Construction Act), which provides that a
40 provision of a statute is severable from each other
41 provision of the statute that can be given effect. The
42 omitted law reads:

43 Sec. 22. If any of the provisions of
44 this Act, or the application thereof to any
45 person or circumstances is held invalid,

1 such invalidity shall not affect other
2 provisions or applications of the Act which
3 can be given effect without the invalid
4 provision or application, and to this end
5 the provisions of this Act are declared to
6 be severable.

7 (3) Section 23, Chapter 35, Acts of the 59th
8 Legislature, Regular Session, 1965, provides that
9 public notice of the enactment of the statute was
10 provided in a manner that satisfies the requirements
11 of the Texas Constitution. The revised law omits that
12 section as executed. The omitted law reads:

13 Sec. 23. Proof of publication of the
14 notice required in the enactment hereof
15 under the provisions of Section 9 of Article
16 IX of the Texas Constitution has been made
17 in the manner and form provided by law
18 pertaining to the enactment of local and
19 special laws, and such notice is hereby
20 found and declared proper and sufficient to
21 satisfy such requirement.

22 CHAPTER 1088. REAGAN HOSPITAL DISTRICT OF REAGAN
23 COUNTY, TEXAS

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8 CHAPTER 1088. REAGAN HOSPITAL DISTRICT OF REAGAN
9 COUNTY, TEXAS

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Revised Law

12 Sec. 1088.001. 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 Reagan Hospital District of
17 Reagan County, Texas. (New.)

18 Revisor's Note

19 The definitions of "board," "director," and
20 "district" are added to the revised law for drafting
21 convenience and to eliminate frequent, unnecessary
22 repetition of the substance of the definitions.

23 Revised Law

24 Sec. 1088.002. AUTHORITY FOR CREATION. The Reagan Hospital
25 District of Reagan County, Texas, is created under the authority of
26 Section 9, Article IX, Texas Constitution. (Acts 65th Leg., R.S.,
27 Ch. 29, Sec. 1.)

28 Source Law

29 Sec. 1. By authority of Article IX, Section 9,
30 of the Texas Constitution, this Act authorizes the
31 creation of Reagan Hospital District of Reagan County,
32 Texas.

33 Revised Law

34 Sec. 1088.003. ESSENTIAL PUBLIC FUNCTION. The district
35 performs an essential public function in carrying out the purposes
36 of this chapter. (Acts 65th Leg., R.S., Ch. 29, Sec. 22 (part).)

1 debt. Section 8(b), Chapter 29, Acts of the 65th
2 Legislature, Regular Session, 1977, provides for the
3 election to include a proposition authorizing the
4 district to issue bonds. Because the creation of the
5 district and the imposition of the tax were approved at
6 the election, the revised law omits the relevant law as
7 executed. The omitted law reads:

8 Sec. 4. (a) The district shall not
9 be created, nor shall any property be
10 transferred to it, nor shall any tax by it
11 be authorized until the creation and the tax
12 are approved by a majority of the electors
13 of the area of the proposed district, voting
14 at an election called for that purpose. The
15 election may be called by a majority of the
16 temporary directors or shall be called by a
17 majority of the temporary directors on
18 presentation of a petition signed by at
19 least 50 electors of the area of the
20 proposed district. The election shall be
21 held not less than 25 nor more than 60 days
22 from the date the election is ordered. The
23 order calling the election shall specify
24 the date, place, or places of holding the
25 election, the form of ballot, the presiding
26 judge and alternate judge for each voting
27 place, and provide for clerks as in county
28 elections. The election order may provide
29 that the entire district shall constitute
30 one election precinct or the county
31 election precincts within the district may
32 be combined for elections. Notice of
33 election shall be given by publishing a
34 substantial copy of the election order in a
35 newspaper or newspapers which individually
36 or collectively provide general circulation
37 in the district once a week for two
38 consecutive weeks, the first publication to
39 appear at least 30 days before the date
40 established for the election. The failure
41 of the election does not operate to prohibit
42 the calling and holding of subsequent
43 elections for the same purpose, provided,
44 no district confirmation election may be
45 held within 12 months of any preceding
46 election for confirmation. If this
47 district is not confirmed within 60 months
48 from the effective date of this Act, this
49 Act is repealed.

50 (b) At the election there shall be
51 submitted to the electors of the area of the
52 proposed district the proposition of
53 whether the hospital district shall be
54 created with authority to have transferred
55 to it the existing hospital facilities of
56 Reagan County and any city or town in the
57 district, including the city of Big Lake,
58 and to levy annual taxes . . . for the
59 purpose of meeting the requirements of the
60 district's bonds, indebtedness assumed by
61 it, and its maintenance and operating

1 expenses. A majority of the electors voting
2 at the election in favor of the proposition
3 is sufficient for its adoption.

4 (c) The form of ballot used at the
5 election on the creation of the district
6 shall be in conformity with Section 61,
7 Texas Election Code, as amended (Article
8 6.05, Vernon's Texas Election Code), so that
9 ballots may be cast "FOR" or "AGAINST" the
10 following ballot proposition: "The creation
11 of the Reagan Hospital District of Reagan
12 County, Texas, providing for the levy of a
13 tax not to exceed 75 cents on each \$100
14 valuation, upon all taxable property
15 situated within the district, subject to
16 hospital district taxation, for all
17 hospital district purposes, and providing
18 for the assumption by the district of all
19 city, town, or county hospital facilities
20 and outstanding bonds and indebtedness
21 issued for hospital purposes by Reagan
22 County or any city or town in the district,
23 including the city of Big Lake."

24 (d) Within 10 days after the election
25 is held, the temporary directors of the
26 district shall convene and canvass the
27 returns of the election, and if a majority
28 of the electors voting at the election are
29 in favor of the proposition, the directors
30 shall find and declare the hospital
31 district created.

32 [Sec. 8]

33 (b) A separate proposition on the
34 request of the temporary directors may be
35 submitted at the election for the
36 confirmation of the district as to whether
37 the board of directors, in the event the
38 district is created, shall be authorized to
39 issue bonds for the purposes specified in
40 this section. The proposition, if
41 submitted, shall specify the purpose for
42 which the bonds are to be issued, the
43 maximum amount of bonds then proposed to be
44 issued, the maximum maturity date, and the
45 maximum interest rate.

46 [Sections 1088.008-1088.050 reserved for expansion]

47 SUBCHAPTER B. DISTRICT ADMINISTRATION

48 Revised Law

49 Sec. 1088.051. BOARD ELECTION; TERMS. (a) The board
50 consists of six directors elected as follows:

51 (1) one director elected from each commissioners
52 precinct of Reagan County; and

53 (2) two directors elected from the district at large.

54 (b) A redistricting or other change in the boundaries of the
55 commissioners precincts of Reagan County does not affect the
56 service or term of a director in office when the change occurs. The

1 change in the commissioners precincts applies to each election of
2 directors occurring after the change takes effect as the terms of
3 directors then in office expire.

4 (c) Directors serve staggered three-year terms.

5 (d) An election shall be held on the uniform election date
6 in May of each year to elect the appropriate number of directors.

7 (Acts 65th Leg., R.S., Ch. 29, Secs. 5(a) (part), (b), (e) (part).)

8 Source Law

9 Sec. 5. (a) The board of directors consists of
10 six members with one director elected from each
11 commissioners precinct of Reagan County and two
12 directors elected from the district at large. . . .
13 The directors serve three-year staggered terms. . . .

14 (b) A redistricting or other change in the
15 boundaries of the commissioners precincts of Reagan
16 County does not affect the service or term of a member
17 of the district's board of directors in office when the
18 change occurs. The change in the commissioners
19 precincts applies to each election of directors
20 occurring after the change takes effect as the terms of
21 directors then in office expire.

22 (e) A regular election of directors shall be
23 held on the first Saturday in May of each year, and
24

25 Revisor's Note

26 (1) Section 5(a), Chapter 29, Acts of the 65th
27 Legislature, Regular Session, 1977, requires each
28 director to execute the constitutional oath of office.
29 The revised law omits that provision because Section
30 1, Article XVI, Texas Constitution, requires all
31 officers in this state to take the oath (or
32 affirmation) before assuming office. The omitted law
33 reads:

34 (a) . . . Each permanent director and
35 the director's successor in office shall
36 qualify by executing the constitutional
37 oath of office.

38 (2) Section 5(e), Chapter 29, Acts of the 65th
39 Legislature, Regular Session, 1977, was amended in
40 2001 to require board elections to be held on the
41 "first Saturday in May." From 1986 to 2003, Section
42 41.001, Election Code, provided for a uniform election
43 date for all political subdivisions on the first

1 Saturday in May. In Chapter 1315, Acts of the 78th
2 Legislature, Regular Session, 2003, the legislature
3 amended Section 41.001 by moving the uniform election
4 date in May to the third Saturday. In Chapter 1, Acts
5 of the 78th Legislature, 3rd Called Session, 2003, the
6 legislature amended Section 41.001 by moving the
7 uniform election date in May back to the first
8 Saturday. In Chapter 471, Acts of the 79th
9 Legislature, Regular Session, 2005, the legislature
10 amended Section 41.001 by moving the uniform election
11 date in May to the second Saturday. The revised law
12 substitutes "uniform election date in May" for "first
13 Saturday in May" to reflect these changes while
14 preserving as closely as possible the legislative
15 intent expressed in the 2001 amendment to Section 5(e)
16 that the election be held on the first Saturday in May,
17 which was at that time the uniform election date in
18 May.

19 (3) Section 5(e), Chapter 29, Acts of the 65th
20 Legislature, Regular Session, 1977, provides that the
21 board shall order the election of directors in
22 accordance with Chapter 3, Election Code. The revised
23 law omits that provision because Chapter 3 applies to
24 the district by its own terms under Section 1.002,
25 Election Code. The omitted law reads:

26 (e) [A regular election] . . . shall
27 be ordered by the board in accordance with
28 the applicable provisions of Chapter 3,
29 Election Code. . . .

30 (4) Section 12(a), Chapter 434, Acts of the 77th
31 Legislature, Regular Session, 2001, provides for the
32 election of certain directors and the staggering of
33 their terms to accomplish the change in the manner in
34 which the members are elected and of the members' terms
35 from two to three years. The revised law omits that
36 provision as executed. The omitted law reads:

1 Revised Law

2 Sec. 1088.053. QUALIFICATIONS FOR OFFICE. (a) A person may
3 not be elected or appointed as a director unless the person is:

4 (1) a resident of the district; and

5 (2) a qualified voter.

6 (b) A director elected from a commissioners precinct is not
7 required to be a resident of that commissioners precinct. (Acts
8 65th Leg., R.S., Ch. 29, Secs. 5(a) (part), (c).)

9 Source Law

10 (a) . . . A director elected from a
11 commissioners precinct is not required to be a
12 resident of that commissioners precinct. . . .

13 (c) No person may be appointed or elected as a
14 member of the board of directors of the hospital
15 district unless the person is a resident of the
16 district and a qualified voter.

17 Revised Law

18 Sec. 1088.054. BOARD VACANCY. (a) If a vacancy occurs in
19 the office of director, the remaining directors shall appoint a
20 director to hold office for the remainder of the unexpired term.

21 (b) If the number of directors is reduced to fewer than
22 five, the remaining directors shall immediately call a special
23 election to fill the vacancies. If the remaining directors do not
24 call the election, a district court, on application of a district
25 resident, shall order the election. (Acts 65th Leg., R.S., Ch. 29,
26 Sec. 5(d) (part).)

27 Source Law

28 (d) . . . All vacancies in the office of
29 director shall be filled for the unexpired term by
30 appointment by the remainder of the board of directors
31 and each appointee holds office for the unexpired term
32 for which the person was appointed. If the number of
33 directors is reduced to less than five, the remaining
34 directors shall immediately call a special election to
35 fill the vacancies, and upon their failure to do so,
36 the district court, on application of any resident of
37 the district, shall order the election.

38 Revised Law

39 Sec. 1088.055. OFFICERS. (a) The board shall elect:

40 (1) a president and a vice president from among its
41 members; and

1 Source Law

2 (n) The directors may participate in any group
3 health insurance plan sponsored by the district for
4 district employees.

5 Revised Law

6 Sec. 1088.058. DISTRICT ADMINISTRATOR; ASSISTANT DISTRICT
7 ADMINISTRATORS. (a) The board may appoint a qualified person as
8 district administrator.

9 (b) The board may appoint assistant administrators.

10 (c) The district administrator and any assistant
11 administrator serve at the will of the board and are entitled to the
12 compensation determined by the board.

13 (d) On assuming the duties of district administrator, the
14 administrator shall execute a bond payable to the district in an
15 amount set by the board of not less than \$5,000 that:

16 (1) is conditioned on the administrator performing the
17 administrator's duties; and

18 (2) contains other conditions the board may require.

19 (e) The board may pay for the bond with district money.
20 (Acts 65th Leg., R.S., Ch. 29, Sec. 6(d) (part).)

21 Source Law

22 (d) The board of directors may appoint a
23 qualified person to be known as the administrator of
24 the hospital district and may in its discretion
25 appoint assistants to the administrator. The
26 administrator and assistant administrator, if any,
27 serve at the will of the board and receive compensation
28 fixed by the board. The administrator shall, on
29 assuming the duties of administrator, execute a bond
30 payable to the hospital district in an amount set by
31 the board of directors, not less than \$5,000,
32 conditioned on performance of the duties required of
33 the administrator, and containing other conditions as
34 the board may require. The board may pay for the bond
35 with district funds. . . .

36 Revised Law

37 Sec. 1088.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
38 Subject to the limitations prescribed by the board, the district
39 administrator shall:

40 (1) supervise the work and activities of the district;

41 and

42 (2) direct the affairs of the district. (Acts 65th

1 Leg., R.S., Ch. 29, Sec. 6(d) (part).)

2 Source Law

3 (d) . . . The administrator shall supervise all
4 the work and activities of the district and shall have
5 general direction of the affairs of the district,
6 subject to the limitations prescribed by the board.

7 Revised Law

8 Sec. 1088.060. APPOINTMENT AND DISMISSAL OF STAFF AND
9 EMPLOYEES; CONTRACT WITH DOCTORS. (a) The board may appoint to or
10 dismiss from the staff or contract with any doctors the board
11 considers necessary for the efficient operation of the district and
12 may make temporary appointments as necessary.

13 (b) The district may employ fiscal agents, accountants,
14 architects, and attorneys the board considers proper.

15 (c) The board may delegate to the district administrator the
16 authority to hire district employees, including technicians and
17 nurses. (Acts 65th Leg., R.S., Ch. 29, Secs. 6(e), (f), 17.)

18 Source Law

19 [Sec. 6]

20 (e) The board of directors shall have the
21 authority to appoint, dismiss from the staff, or
22 contract with doctors as it deems necessary for the
23 efficient operation of the district, and may provide
24 for temporary appointments to the staff if warranted
25 by circumstances.

26 (f) The board may delegate to the administrator
27 the authority to employ technicians, nurses, and
28 employees of the district.

29 Sec. 17. The district may employ fiscal agents,
30 accountants, architects, and attorneys as the board
31 considers proper.

32 Revised Law

33 Sec. 1088.061. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.
34 The board may spend district money, enter into agreements, and take
35 other necessary action to recruit physicians and other persons to
36 serve as medical staff members or district employees, including:

- 37 (1) advertising and marketing;
38 (2) paying travel, recruitment, and relocation
39 expenses;
40 (3) providing a loan or scholarship to a physician or a
41 person who:

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

3 (B) contractually agrees to become a district
4 employee or medical staff member; or

5 (4) paying the tuition or other expenses of a
6 full-time medical student or other student in a health occupation
7 who:

8 (A) is enrolled in and is in good standing at an
9 accredited medical school, college, or university; and

10 (B) contractually agrees to become a district
11 employee or independent contractor in return for that assistance.

12 (Acts 65th Leg., R.S., Ch. 29, Sec. 6(i).)

13 Source Law

14 (i) The board of directors may spend district
15 funds, enter into agreements, and take other necessary
16 action to recruit physicians and other persons to
17 serve as medical staff members or employees of the
18 district, including:

19 (1) advertising and marketing;

20 (2) paying travel, recruitment, and
21 relocation expenses;

22 (3) providing a loan or scholarship to a
23 physician or a person currently enrolled in health
24 care education courses at an institution of higher
25 education who contractually agrees to become a
26 district employee or medical staff member; or

27 (4) contracting with one or more full-time
28 medical students or other students in a health
29 occupation, each of whom must be enrolled in and in
30 good standing at an accredited medical school,
31 college, or university, to pay the student's tuition or
32 other expenses in consideration of the student's
33 agreement to serve as an employee or independent
34 contractor for the district.

35 Revised Law

36 Sec. 1088.062. EDUCATIONAL PROGRAMS; COURSES. The board
37 may provide or contract for the provision of educational programs
38 or courses for district employees and medical staff. (Acts 65th
39 Leg., R.S., Ch. 29, Sec. 6(k).)

40 Source Law

41 (k) The board may provide or contract for the
42 provision of educational programs or courses for
43 employees and medical staff of the district.

44 Revised Law

45 Sec. 1088.063. SENIORITY; RETIREMENT BENEFITS. (a) The

1 board may:

2 (1) adopt rules related to the seniority of district
3 employees; and

4 (2) establish or administer a retirement program or
5 elect to participate in any statewide retirement program in which
6 the district is eligible to participate.

7 (b) The district may give effect to previous years of
8 service for district employees continuously employed in the
9 operation or management of the hospital facilities acquired from
10 the county or a municipality when the district was created. (Acts
11 65th Leg., R.S., Ch. 29, Secs. 6(b), (c) (part).)

12 Source Law

13 (b) The board is given full authority to
14 establish rules and regulations relating to seniority
15 of employees of the district, and may establish or
16 administer a retirement program or elect to
17 participate in any statewide retirement program in
18 which the district is eligible to participate.

19 (c) The district may give effect to previous
20 years of service for those employees who have been
21 continuously employed in the operation or management
22 of the hospital facilities acquired from the county or
23 any city or town on the creation of the district. . . .

24 Revisor's Note

25 (1) Section 6(b), Chapter 29, Acts of the 65th
26 Legislature, Regular Session, 1977, refers to "rules
27 and regulations" established by the board. The
28 revised law omits the references to "regulations"
29 because under Section 311.005(5), Government Code
30 (Code Construction Act), a rule is defined to include a
31 regulation.

32 (2) Section 6(c), Chapter 29, Acts of the 65th
33 Legislature, Regular Session, 1977, refers to a "city
34 or town." The revised law substitutes "municipality"
35 for "city or town" to conform to the terminology of the
36 Local Government Code.

37 Revisor's Note
38 (End of Subchapter)

39 (1) Section 5(e), Chapter 29, Acts of the 65th
40 Legislature, Regular Session, 1977, states that a

1 person must file a ballot application with the board
2 secretary to be a candidate for director in accordance
3 with Chapter 144, Election Code. The revised law omits
4 the statement because Chapter 144 applies to the
5 district by its own terms under Section 1.002,
6 Election Code. The omitted law reads:

7 (e) . . . Any person desiring the
8 person's name to be printed on the ballot as
9 a candidate for director shall file an
10 application with the secretary of the board
11 in accordance with Chapter 144, Election
12 Code, asking that the person's name be
13 printed on the ballot. . . .

14 (2) Section 5(e), Chapter 29, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that a
16 ballot application must specify the county
17 commissioners precinct a candidate wishes to represent
18 or specify that the candidate wishes to represent the
19 district at large. The revised law omits the provision
20 because it duplicates Section 141.031(a)(4)(C),
21 Election Code, which requires a candidate to state on
22 the ballot application the office sought by the
23 candidate, including any place number or other
24 distinguishing number. The omitted law reads:

25 (e) . . . The application must
26 specify the commissioners precinct for
27 which the person is applying to be a
28 candidate or state that the person is
29 applying to be a candidate for election to
30 an at-large position.

31 [Sections 1088.064-1088.100 reserved for expansion]

32 SUBCHAPTER C. POWERS AND DUTIES

33 Revised Law

34 Sec. 1088.101. DISTRICT RESPONSIBILITY. (a) The district
35 has full responsibility for providing hospital care for the
36 district's indigent residents.

37 (b) The district shall provide all necessary hospital and
38 medical care for the district's needy inhabitants. (Acts 65th
39 Leg., R.S., Ch. 29, Secs. 3(a) (part), 20 (part).)

1 reference to the creation of the district as executed.
2 In addition, throughout this chapter, the revised law
3 substitutes "impose" for "levy" because, in this
4 context, the terms are synonymous and "impose" is more
5 commonly used.

6 (2) Sections 3(a) and 20, Chapter 29, Acts of
7 the 65th Legislature, Regular Session, 1977, refer to
8 a "municipality or political subdivision." Throughout
9 this chapter, the revised law omits the reference to
10 "municipality" because "municipality" is included in
11 the meaning of "political subdivision."

12 Revised Law

13 Sec. 1088.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
14 The board shall manage, control, and administer the hospital system
15 and the district's money and resources. (Acts 65th Leg., R.S., Ch.
16 29, Sec. 6(a) (part).)

17 Source Law

18 Sec. 6. (a) The board of directors shall
19 manage, control, and administer the hospital system
20 and all funds and resources of the district, but
21

22 Revised Law

23 Sec. 1088.104. HOSPITAL SYSTEM. (a) The district has the
24 responsibility to establish a hospital or hospital system within
25 its boundaries to provide hospital and medical care to the
26 district's residents.

27 (b) The district shall provide for:

28 (1) the establishment of a hospital system by:

29 (A) purchasing, constructing, acquiring,
30 repairing, or renovating buildings and equipment; and

31 (B) equipping the buildings; and

32 (2) the administration of the hospital system for
33 hospital purposes and medical purposes.

34 (c) The hospital system may include:

35 (1) facilities for domiciliary care of the sick,
36 injured, or geriatric;

- 1 (2) outpatient clinics;
- 2 (3) dispensaries;
- 3 (4) convalescent home facilities;
- 4 (5) necessary nurses;
- 5 (6) domiciliaries and training centers;
- 6 (7) blood banks;
- 7 (8) community mental health centers;
- 8 (9) research centers or laboratories; and
- 9 (10) any other facilities the board considers
- 10 necessary for medical and hospital care. (Acts 65th Leg., R.S., Ch.
- 11 29, Secs. 3(a) (part), (b) (part), 10 (part).)

12 Source Law

13 Sec. 3. (a) The district authorized to be
14 created by this Act is charged with the responsibility
15 of establishing a hospital or a hospital system within
16 its boundaries to furnish hospital and medical care to
17 the residents of the district. . . .

18 (b) . . . The district shall provide for the
19 establishment of a hospital system by the purchase,
20 construction, acquisition, repair, and renovation of
21 buildings and equipment, and equipping same, and its
22 administration for hospital and medical care purposes.
23 . . .

24 Sec. 10. . . . The hospital system may include
25 facilities for domiciliary care of the sick, wounded,
26 and injured, outpatient clinics, dispensaries,
27 facilities for geriatric domiciliary care,
28 convalescent home facilities, necessary nurses,
29 domiciliaries and training centers, blood banks,
30 community mental health centers, research centers or
31 laboratories, and any other facilities deemed
32 necessary for medical and hospital care by the
33 directors. . . .

34 Revisor's Note

35 Section 10, Chapter 29, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to the care
37 of the "sick, wounded, and injured." The revised law
38 omits the reference to "wounded" because the meaning
39 of "wounded" is included in the meaning of "injured."

40 Revised Law

41 Sec. 1088.105. RULES. The board may adopt rules governing
42 the operation of the hospital, the hospital system, and the
43 district's staff and employees. (Acts 65th Leg., R.S., Ch. 29, Sec.
44 6(c) (part).)

1 not exceed 25 years.

2 (d) 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 (e) 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. (Acts 65th Leg.,
11 R.S., Ch. 29, Secs. 6(h), 10 (part), 11 (part).)

12 Source Law

13 [Sec. 6]

14 (h) The board of directors may purchase or lease
15 property, facilities, and equipment for the district
16 to use in the hospital system and may mortgage or
17 pledge the property, facilities, or equipment as
18 security for the payment of the purchase price.

19 Sec. 10. The board of directors is given
20 complete discretion as to the type, number, and
21 location of buildings required to establish and
22 maintain an adequate hospital system. . . . The
23 district, through its board of directors, . . . may
24 lease all or part of its buildings and facilities on
25 terms and conditions considered to be in the best
26 interests of its inhabitants, provided that no lease
27 may be for a period in excess of 25 years from the date
28 entered. The district may sell or otherwise dispose of
29 any property, real or personal, or equipment of any
30 nature on terms and conditions found by the board to be
31 in the best interests of its inhabitants.

32 Sec. 11. . . . The district may acquire
33 equipment for use in its hospital system and mortgage
34 or pledge the property so acquired as security for the
35 payment of the purchase price, but any such contract
36 shall provide for the entire obligation of the
37 district to be retired within five years from the date
38 of the contract. . . .

39 Revisor's Note

40 (1) Section 10, Chapter 29, Acts of the 65th
41 Legislature, Regular Session, 1977, requires the board
42 to determine the buildings required to "establish and
43 maintain" an adequate hospital system. The revised
44 law omits the reference to establishing the hospital
45 system as executed.

46 (2) Section 10, Chapter 29, Acts of the 65th

1 Legislature, Regular Session, 1977, refers to "terms
2 and conditions." The revised law omits the reference
3 to "conditions" because "conditions" is included in
4 the meaning of "terms."

5 (3) Section 10, Chapter 29, Acts of the 65th
6 Legislature, Regular Session, 1977, refers to "any
7 property, real or personal." The revised law omits the
8 reference to "real or personal" property because under
9 Section 311.005, Government Code (Code Construction
10 Act), "property" means "real and personal property."

11 Revised Law

12 Sec. 1088.108. 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 or convenient for the
16 district to exercise a power, right, or privilege conferred by this
17 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, 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

28 (3) provide a bond for costs or a supersedeas bond on
29 an appeal or petition for review. (Acts 65th Leg., R.S., Ch. 29,
30 Sec. 15(a).)

31 Source Law

32 Sec. 15. (a) The district has the right and
33 power of eminent domain for the purpose of acquiring by
34 condemnation property of any kind and character in fee
35 simple, or any lesser interest, within the boundaries
36 of the district necessary or convenient to the powers,
37 rights, and privileges conferred by this Act, in the

1 manner provided by the general law with respect to
2 condemnation by counties, provided that the district
3 shall not be required to make bond or deposits in the
4 registry of the trial court as required by Section
5 21.021, Property Code. In condemnation proceedings
6 being prosecuted by the district, the district shall
7 not be required to pay in advance or give bond or other
8 security for costs in the trial court, nor to give any
9 bond otherwise required for the issuance of a
10 temporary restraining order or a temporary injunction
11 nor to give bond for costs or for supersedeas on any
12 appeal or writ of error.

13 Revisor's Note

14 (1) Section 15(a), Chapter 29, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that the
16 district has the "right and power of eminent domain for
17 the purpose of acquiring [property] by condemnation."
18 The revised law substitutes for the quoted language
19 "may exercise the power of eminent domain to acquire
20 [property]" because the phrases have the same meaning,
21 and the latter phrase is consistent with modern usage
22 in laws relating to eminent domain.

23 (2) Section 15(a), Chapter 29, Acts of the 65th
24 Legislature, Regular Session, 1977, provides that the
25 district must exercise the power of eminent domain in
26 the manner provided by "the general law with respect to
27 condemnation by counties." The revised law
28 substitutes for the quoted language a reference to
29 Chapter 21, Property Code, because that is the general
30 law governing eminent domain for governmental
31 entities, including counties.

32 (3) Section 15(a), Chapter 29, Acts of the 65th
33 Legislature, Regular Session, 1977, refers to a "writ
34 of error." The revised law substitutes "petition for
35 review" for "writ of error" because, effective
36 September 1, 1997, the Texas Supreme Court replaced
37 the writ of error procedure with the petition for
38 review procedure. See Rule 53.1, Texas Rules of
39 Appellate Procedure.

1 Revised Law

2 Sec. 1088.109. COST OF RELOCATING OR ALTERING PROPERTY. In
3 exercising the power of eminent domain, if the board requires
4 relocating, raising, lowering, rerouting, changing the grade of, or
5 altering the construction of any railroad, electric transmission
6 and distribution, telegraph or telephone line, conduit, pole, or
7 facility, or pipeline, the district must bear the actual cost of
8 relocating, raising, lowering, rerouting, changing the grade, or
9 altering the construction to provide comparable replacement
10 without enhancement of facilities, after deducting the net salvage
11 value derived from the old facility. (Acts 65th Leg., R.S., Ch. 29,
12 Sec. 15(b).)

13 Source Law

14 (b) If the board requires the relocation,
15 raising, lowering, rerouting, or change in grade or
16 alteration in the construction of any railroad,
17 electric transmission and distribution, telegraph or
18 telephone lines, conduits, poles, or facilities, or
19 pipelines in the exercise of the power of eminent
20 domain, all of the relocation, raising, lowering,
21 rerouting or changes in grade or alteration of
22 construction due to the exercise of the power of
23 eminent domain shall be the sole expense of the
24 district. The term "sole expense" means the actual
25 cost of relocation, raising, lowering, rerouting, or
26 change in grade or alteration of construction to
27 provide comparable replacement without enhancement of
28 facilities, after deducting the net salvage value
29 derived from the old facility.

30 Revised Law

31 Sec. 1088.110. GIFTS AND ENDOWMENTS. The board may accept
32 for the district a gift or endowment to be held in trust and
33 administered by the board for the purposes and under the
34 directions, limitations, or other provisions prescribed in writing
35 by the donor that are not inconsistent with the proper management
36 and objectives of the district. (Acts 65th Leg., R.S., Ch. 29, Sec.
37 19.)

38 Source Law

39 Sec. 19. The board of directors of the hospital
40 district is authorized on behalf of the district to
41 accept donations, gifts, and endowments to be held in
42 trust and administered by the board of directors for
43 purposes and under directions, limitations, and
44 provisions prescribed in writing by the donor which
45 are not inconsistent with proper management and

1 objectives of the hospital district.

2 Revisor's Note

3 Section 19, Chapter 29, Acts of the 65th
4 Legislature, Regular Session, 1977, refers to
5 "donations" and "gifts." The revised law omits the
6 reference to "donations" because "donations" is
7 included in the meaning of "gifts."

8 Revised Law

9 Sec. 1088.111. CONSTRUCTION CONTRACTS. A construction
10 contract in excess of the amount provided by Section 271.024, Local
11 Government Code, may be made only after competitive bidding as
12 provided by Subchapter B, Chapter 271, Local Government Code.
13 (Acts 65th Leg., R.S., Ch. 29, Sec. 11 (part).)

14 Source Law

15 Sec. 11. . . . All contracts for construction
16 in excess of the amount provided by Section 271.024,
17 Local Government Code, may be made only after
18 competitive bidding in the manner provided by
19 Subchapter B, Chapter 271, Local Government
20 Code. . . .

21 Revisor's Note

22 Section 11, Chapter 29, Acts of the 65th
23 Legislature, Regular Session, 1977, provides that
24 Chapter 2253, Government Code, applies to the
25 district's construction contracts in relation to
26 performance and payment bonds. The revised law omits
27 the provision because Chapter 2253 applies to hospital
28 districts on its own terms. The omitted law reads:

29 Sec. 11. . . . The provisions of
30 Chapter 2253, Government Code, relating to
31 performance and payment bonds, applies to
32 construction contracts let by the district.
33 . . .

34 Revised Law

35 Sec. 1088.112. OPERATING AND MANAGEMENT CONTRACTS. The
36 board may enter into an operating or management contract relating
37 to a district facility. (Acts 65th Leg., R.S., Ch. 29, Sec. 10
38 (part).)

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Source Law

Sec. 10. . . . The district, through its board of directors, is authorized to enter into an operating or management contract with regard to its facilities or a part of them, or

Revised Law

Sec. 1088.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR HOSPITAL TREATMENT. (a) The board may contract with a county or municipality located outside the district's boundaries for the hospitalization and treatment of a sick or injured person of that county or municipality.

(b) The board may contract with this state or a federal agency for the hospital treatment of a sick or injured person. (Acts 65th Leg., R.S., Ch. 29, Sec. 6(g) (part).)

Source Law

(g) The board . . . shall be authorized to contract with any county or incorporated municipality located outside its boundaries for the hospitalization and treatment of the sick, diseased, or injured persons of any such county or municipality, and shall have the authority to contract with the state or agencies of the federal government for the hospital treatment of sick, diseased, or injured persons.

Revisor's Note

(1) Section 6(g), Chapter 29, Acts of the 65th Legislature, Regular Session, 1977, refers to an "incorporated" municipality. The revised law omits the reference to "incorporated" because under the Local Government Code all municipalities must be incorporated.

(2) Section 6(g), Chapter 29, Acts of the 65th Legislature, Regular Session, 1977, refers to the treatment of a "sick, diseased, or injured" person. The revised law omits the reference to "diseased" because "diseased" is included in the meaning of "sick."

Revised Law

Sec. 1088.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR INVESTIGATORY OR OTHER SERVICES. The board may contract with a

1 political subdivision or governmental agency for the district to
2 provide investigatory or other services for the medical, hospital,
3 or welfare needs of district inhabitants. (Acts 65th Leg., R.S.,
4 Ch. 29, Sec. 6(g) (part).)

5 Source Law

6 (g) The board shall be authorized to contract
7 with any other political subdivision or governmental
8 agency whereby the district will provide investigatory
9 or other services as to the medical, hospital, or
10 welfare needs of the inhabitants of the district and
11

12 Revised Law

13 Sec. 1088.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)

14 When a patient who resides in the district is admitted to a district
15 hospital facility, the district administrator may have an inquiry
16 made into the financial circumstances of:

17 (1) the patient; and

18 (2) relatives of the patient who are legally liable
19 for the patient's support.

20 (b) If the district administrator determines that the
21 patient or relatives cannot pay all or part of the costs of the
22 patient's care and treatment in the hospital, the amount of the
23 costs that cannot be paid becomes a charge against the district.

24 (c) If the district administrator determines that the
25 patient or relatives can pay for all or part of the costs of the care
26 and treatment, as determined by the district's indigent health care
27 policy, the patient or relatives shall be ordered to pay the
28 district a specified amount each week for the patient's care and
29 support. The amount ordered must be proportionate to the person's
30 financial ability.

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

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

1 (f) If there is a dispute as to the ability to pay, or doubt
2 in the mind of the district administrator concerning the ability to
3 pay, the board shall hold a hearing and, after calling witnesses,
4 shall determine the issue. (Acts 65th Leg., R.S., Ch. 29, Secs.
5 6(1), 18.)

6 Source Law

7 [Sec. 6]

8 (1) The board may institute a suit to collect
9 amounts owed to the district by patients who have not
10 been determined to be unable to pay under Section 18.

11 Sec. 18. When a patient residing within the
12 district has been admitted to the district's hospital
13 facilities, the administrator may cause inquiry to be
14 made as to the patient's financial circumstances and
15 those of the relatives of the patient legally liable
16 for the patient's support. If the administrator finds
17 that the patient or the patient's relatives are able to
18 pay for the patient's care and treatment in whole or in
19 part, as determined by the district's current indigent
20 health care policy, an order shall be made directing
21 the patient or the patient's relatives to pay to the
22 hospital district for the care and support of the
23 patient a specified sum each week in proportion to
24 their financial ability. The administrator shall have
25 power and authority to collect the sums from the estate
26 of the patient or the patient's relatives legally
27 liable for the patient's support in the manner provided
28 by law for collection of expenses in the last illness
29 of a deceased person. If the administrator finds that
30 the patient or the patient's relatives are not able to
31 pay either in whole or in part for the patient's care
32 and treatment in the hospital, it shall become a charge
33 on the hospital district as to the amount of the
34 inability to pay. Should there be any dispute as to the
35 ability to pay or doubt in the mind of the
36 administrator, the board of directors shall hear and
37 determine the issue after calling witnesses.

38 Revisor's Note

39 Section 18, Chapter 29, Acts of the 65th
40 Legislature, Regular Session, 1977, requires the
41 district administrator to determine ability to pay
42 using the district's "current" indigent health care
43 policy. The revised law omits "current" as
44 unnecessary because a requirement that the district
45 administrator make a determination using the
46 district's indigent health care policy implies that
47 the district administrator must make that
48 determination using the policy in effect at the time
49 the determination is made.

1 Revised Law

2 Sec. 1088.116. NONPROFIT CORPORATION. (a) The district
3 may create and sponsor a nonprofit corporation under the Business
4 Organizations Code and may contribute money to or solicit money for
5 the corporation.

6 (b) The corporation may use its money only to provide health
7 care or other services the district is authorized to provide under
8 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. (Acts 65th
15 Leg., R.S., Ch. 29, Sec. 6(m).)

16 Source Law

17 (m) The district may sponsor and create a
18 nonprofit corporation under the Texas Non-Profit
19 Corporation Act (Article 1396-1.01 et seq., Vernon's
20 Texas Civil Statutes) and may contribute funds to or
21 solicit funds for the corporation. The corporation
22 may use its funds only to provide health care or other
23 services the district is authorized to provide under
24 this Act. The board of directors of the hospital
25 district shall establish adequate controls to ensure
26 that the corporation uses its funds as required by this
27 subsection. The corporation may invest corporation
28 funds in any manner in which the district may invest
29 funds, including investing funds as authorized by
30 Chapter 2256, Government Code.

31 Revisor's Note

32 Section 6(m), Chapter 29, Acts of the 65th
33 Legislature, Regular Session, 1977, refers to the
34 Texas Non-Profit Corporation Act. That act was
35 codified in various chapters of the Business
36 Organizations Code by Chapter 182, Acts of the 78th
37 Legislature, Regular Session, 2003. The Business
38 Organizations Code took effect January 1, 2006, and
39 applies only to domestic business entities formed on
40 or after that date, to domestic business entities
41 formed before that date that elect to have that code

1 govern their operations, and to certain foreign
2 business entities. On January 1, 2010, the Texas
3 Non-Profit Corporation Act expires, and the Business
4 Organizations Code will apply to all business entities
5 without regard to date of formation or whether an
6 entity is a foreign or domestic business entity.
7 Because this chapter will not take effect until 2011,
8 the revised law is drafted to reflect the
9 applicability of only the Business Organizations Code.

10 Revised Law

11 Sec. 1088.117. AUTHORITY TO SUE AND BE SUED. The district,
12 through the board, may sue and be sued. (Acts 65th Leg., R.S., Ch.
13 29, Sec. 6(c) (part).)

14 Source Law

15 (c) . . . The district, through its board of
16 directors, shall have the power and authority to sue
17 and be sued and

18 [Sections 1088.118-1088.150 reserved for expansion]

19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

20 Revised Law

21 Sec. 1088.151. BUDGET. (a) The district administrator
22 shall prepare an annual budget for approval by the board.

23 (b) The proposed budget must contain a complete financial
24 statement of:

- 25 (1) the outstanding obligations of the district;
- 26 (2) the cash on hand in each district fund;
- 27 (3) the money received by the district from all
28 sources during the previous year;
- 29 (4) the money available to the district from all
30 sources during the ensuing year;
- 31 (5) the balances expected at the end of the year in
32 which the budget is being prepared;
- 33 (6) the estimated revenue and balances available to
34 cover the proposed budget;
- 35 (7) the estimated tax rate required; and

1 (8) the proposed expenditures and disbursements and
2 the estimated receipts and collections for the following fiscal
3 year. (Acts 65th Leg., R.S., Ch. 29, Sec. 7(c) (part).)

4 Source Law

5 (c) The administrator shall prepare an annual
6 budget for approval by the board of directors. The
7 budget shall contain a complete financial statement of
8 the district showing all outstanding obligations of
9 the district, the cash on hand to the credit of each
10 fund of the district, the funds received from all
11 sources during the previous year, the funds available
12 from all sources during the ensuing year, with
13 balances expected at year end of the year in which the
14 budget is being prepared, estimated revenues and
15 balances available to cover the proposed budget, the
16 estimated tax rate which will be required, and the
17 proposed expenditures, disbursements, and estimated
18 receipts and collections for the following fiscal
19 year. . . .

20 Revised Law

21 Sec. 1088.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
22 The board shall hold a public hearing on the proposed annual budget.

23 (b) At least 10 days before the date of the hearing, notice
24 of the hearing shall be published one time in a newspaper of general
25 circulation in the district.

26 (c) Any district resident is entitled to be present and
27 participate at the hearing.

28 (d) At the conclusion of the hearing, the board shall adopt
29 a budget by acting on the budget proposed by the district
30 administrator. The board may make any changes in the proposed
31 budget that the board judges to be in the interest of the taxpayers
32 and that the law warrants. (Acts 65th Leg., R.S., Ch. 29, Sec. 7(c)
33 (part).)

34 Source Law

35 (c) . . . A public hearing on the annual budget
36 shall be held by the board of directors after notice of
37 the hearing has been published one time at least 10
38 days before the date set for the hearing in a newspaper
39 of general circulation in the hospital district. Any
40 resident of the district shall have the right to be
41 present and participate in the hearing. At the
42 conclusion of the hearing, the budget, as proposed by
43 the administrator, shall be acted on by the board of
44 directors. The board of directors shall have
45 authority to make such changes in the budget as in
46 their judgment the law warrants and the interest of the
47 taxpayers demand. . . . the annual budget, and . . .
48 shall be approved by the board of directors.

1 Revised Law

2 Sec. 1088.153. AMENDMENTS TO BUDGET. The budget may be
3 amended as required by circumstances. The board must approve all
4 amendments. (Acts 65th Leg., R.S., Ch. 29, Sec. 7(c) (part).)

5 Source Law

6 (c) . . . The annual budget may be amended from
7 time to time as the circumstances may require, but
8 . . . all amendments, shall be approved by the board of
9 directors.

10 Revisor's Note

11 Section 7(c), Chapter 29, Acts of the 65th
12 Legislature, Regular Session, 1977, states that the
13 board may amend the budget "from time to time." The
14 revised law omits the quoted language because the
15 authority to amend the budget implies the authority to
16 do so at any time.

17 Revised Law

18 Sec. 1088.154. RESTRICTION ON EXPENDITURES. Money may be
19 spent only for an expense included in the budget or an amendment to
20 the budget. (Acts 65th Leg., R.S., Ch. 29, Sec. 7(c) (part).)

21 Source Law

22 (c) . . . No expenditure may be made for any
23 expense not included in the annual budget or an
24 amendment to it. . . .

25 Revised Law

26 Sec. 1088.155. FISCAL YEAR. (a) The district operates
27 according to a fiscal year established by the board.

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

29 (1) during a period that revenue bonds of the district
30 are outstanding; or

31 (2) more than once in a 24-month period. (Acts 65th
32 Leg., R.S., Ch. 29, Sec. 7(a).)

33 Source Law

34 Sec. 7. (a) The district shall be operated on
35 the basis of a fiscal year established by the board.
36 The fiscal year may not be changed when revenue bonds
37 are outstanding or more than one time in a 24-month
38 period.

1 Revised Law

2 Sec. 1088.156. ANNUAL AUDIT. The board annually shall have
3 an independent audit made of the district's books and records.
4 (Acts 65th Leg., R.S., Ch. 29, Sec. 7(b) (part).)

5 Source Law

6 (b) The board shall cause an independent audit
7 to be made annually of the books and records of the
8 district. . . .

9 Revised Law

10 Sec. 1088.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
11 The annual audit and other district records shall be open to
12 inspection at the district's principal office. (Acts 65th Leg.,
13 R.S., Ch. 29, Sec. 7(b) (part).)

14 Source Law

15 (b) . . . The audit, together with other records
16 of the district, shall be open to inspection at the
17 principal office of the district.

18 Revised Law

19 Sec. 1088.158. FINANCIAL REPORT. As soon as practicable
20 after the close of each fiscal year, the district administrator
21 shall prepare for the board:

22 (1) a complete sworn statement of all district money;
23 and

24 (2) a complete account of the disbursements of that
25 money. (Acts 65th Leg., R.S., Ch. 29, Sec. 7(d).)

26 Source Law

27 (d) As soon as practicable after the close of
28 each fiscal year, the administrator shall prepare for
29 the board a full sworn statement of all moneys
30 belonging to the district and a full account of
31 disbursements.

32 Revised Law

33 Sec. 1088.159. DEPOSITORY. (a) The board shall select one
34 or more banks to serve as a depository for district money.

35 (b) District money, other than money invested as provided by
36 Section 1088.160(b) and money transmitted to a bank for payment of
37 bonds or obligations issued by the district, shall be deposited as
38 received with the depository bank and shall remain on deposit.

1 (c) This chapter, including Subsection (b), does not limit
2 the power of the board to place a part of district money on time
3 deposit or to purchase certificates of deposit.

4 (d) 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 first executes
7 treasury bonds in an amount sufficient to secure from loss the
8 district money that exceeds the amount secured by the Federal
9 Deposit Insurance Corporation. (Acts 65th Leg., R.S., Ch. 29, Sec.
10 12.)

11 Source Law

12 Sec. 12. (a) The board of directors of the
13 district shall name one or more banks to serve as
14 depository for the funds of the district. All funds of
15 the district, except those invested as provided in
16 Section 6 of this Act, and those transmitted to a bank
17 or banks as payment for bonds or obligations issued by
18 the district, shall be deposited as received with the
19 depository bank and shall remain on deposit, provided
20 that nothing in this Act shall limit the power of the
21 board to place a portion of such funds on time deposit
22 or purchase certificates of deposit.

23 (b) Before the district deposits in a bank funds
24 of the district in an amount which exceeds the maximum
25 amount secured by the Federal Deposit Insurance
26 Corporation, the bank shall be required to execute
27 treasury bonds in an amount sufficient to secure from
28 loss the district funds which exceed the amount
29 secured by the Federal Deposit Insurance Corporation.

30 Revised Law

31 Sec. 1088.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
32 Except as otherwise provided by this chapter, the district may not
33 incur an obligation payable from district revenue other than the
34 revenue on hand or to be on hand in the current and following
35 district fiscal years.

36 (b) The board may invest operating, depreciation, or
37 building reserves only in funds or securities specified by Chapter
38 2256, Government Code. (Acts 65th Leg., R.S., Ch. 29, Secs. 6(a)
39 (part), 11 (part).)

40 Source Law

41 Sec. 6. (a) . . . operating, depreciation, or
42 building fund reserves may not be invested in any funds
43 or securities other than those specified in Chapter
44 2256, Government Code.

1 Revisor's Note

2 Section 8(a), Chapter 29, Acts of the 65th
3 Legislature, Regular Session, 1977, requires the
4 district to levy a tax to pay the principal of and
5 interest on bonds. The revised law specifies that the
6 tax is an "ad valorem" tax because it is clear from the
7 source law that the tax is a property tax and "ad
8 valorem" is the term most commonly used to refer to a
9 property tax.

10 Revised Law

11 Sec. 1088.203. 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 called for that purpose.

15 (b) The election shall be conducted in accordance with
16 Chapter 1251, Government Code. (Acts 65th Leg., R.S., Ch. 29, Sec.
17 8(a) (part).)

18 Source Law

19 (a) . . . No general obligation bonds shall be
20 issued by the hospital district until authorized by a
21 majority of the qualified voters of the district
22 voting at an election called for that purpose. The
23 election shall be conducted in accordance with Chapter
24 1251, Government Code.

25 Revisor's Note

26 Section 8(a), Chapter 29, Acts of the 65th
27 Legislature, Regular Session, 1977, refers to a
28 majority vote of the "qualified" voters of the
29 district. The revised law omits "qualified" as
30 unnecessary in this context because Chapter 11,
31 Election Code, governs eligibility to vote in an
32 election in this state and allows only "qualified"
33 voters who are residents of the territory covered by
34 the election to vote in an election.

35 Revised Law

36 Sec. 1088.204. MATURITY OF GENERAL OBLIGATION BONDS.
37 District bonds must mature not later than 40 years after the date of

1 issuance. (Acts 65th Leg., R.S., Ch. 29, Sec. 8(d) (part).)

2 Source Law

3 (d) Bonds of the district . . . shall mature
4 within 40 years of their date,

5 Revised Law

6 Sec. 1088.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
7 The board president shall execute the district's bonds in the
8 district's name.

9 (b) The board secretary shall countersign the bonds in the
10 manner provided by Chapter 618, Government Code. (Acts 65th Leg.,
11 R.S., Ch. 29, Sec. 8(d) (part).)

12 Source Law

13 (d) Bonds of the district . . . shall be
14 executed in the name of the hospital district and in
15 its behalf by the president of the board and
16 countersigned by the secretary in the manner provided
17 by Chapter 618, Government Code, as added by Chapter
18 227, Acts of the 76th Legislature, Regular Session,
19 1999, and

20 Revisor's Note

21 (1) Section 8(d), Chapter 29, Acts of the 65th
22 Legislature, Regular Session, 1977, provides that
23 district bonds must bear interest at a rate not to
24 exceed that provided by Chapter 1204, Government Code.
25 The revised law omits the provision because Section
26 1204.006, Government Code, applies to the district on
27 its own terms by application of Section 1204.001,
28 Government Code. The omitted law reads:

29 (d) [Bonds of the district] shall
30 bear interest at a rate not to exceed the
31 rate provided by Chapter 1204, Government
32 Code,

33 (2) Section 8(d), Chapter 29, Acts of the 65th
34 Legislature, Regular Session, 1977, provides that the
35 district bonds are subject to the law governing
36 counties that relates to bond approval by the attorney
37 general and registration of the bonds by the
38 comptroller. Section 8(d) also provides that after
39 approval and registration the bonds are "incontestable

1 for any cause." The revised law omits those provisions
2 as superseded by Chapter 1202, Government Code
3 (enacted as Article 3, Chapter 53, Acts of the 70th
4 Legislature, 2nd Called Session, 1987). Section
5 1202.003(a), Government Code, requires bonds to be
6 submitted to the attorney general. Section
7 1202.003(b), Government Code, provides for approval of
8 the bonds by the attorney general and requires the
9 attorney general to submit the approved bonds to the
10 comptroller for registration. Section 1202.005,
11 Government Code, requires registration of the bonds by
12 the comptroller. Section 1202.006, Government Code,
13 provides that after approval and registration the
14 bonds are incontestable and binding obligations.
15 Chapter 1202, Government Code, applies to district
16 bonds by application of Section 1202.001, Government
17 Code. The omitted law reads:

18 (d) [Bonds of the district] . . .
19 shall be subject to the same requirements in
20 the matter of approval by the attorney
21 general and registration by the comptroller
22 of public accounts as are by law provided
23 for approval and registration of bonds
24 issued by counties. On the approval of the
25 bonds by the attorney general and
26 registration by the comptroller, they are
27 incontestable for any cause.

28 Revised Law

29 Sec. 1088.206. REVENUE BONDS. (a) The board may issue
30 revenue bonds to:

31 (1) purchase, construct, acquire, repair, equip, or
32 renovate buildings or improvements for district purposes; or

33 (2) acquire sites for those buildings or improvements.

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

37 (c) The bonds may be additionally secured by a mortgage or
38 deed of trust lien on all or part of district property.

39 (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, 264.044, 264.046, 264.047, 264.048, and 264.049,
3 Health and Safety Code, for issuance of revenue bonds by a county
4 hospital authority. (Acts 65th Leg., R.S., Ch. 29, Sec. 9 (part).)

5 Source Law

6 Sec. 9. The board of directors is authorized to
7 issue revenue bonds and . . . for purchasing,
8 constructing, acquiring, repairing, equipping, or
9 renovating buildings and improvements for district
10 purposes, and for acquiring sites for them, the bonds
11 to be payable from and secured by a pledge of all or any
12 part of the revenues of the district to be derived from
13 the operation of its hospital system. The bonds may be
14 additionally secured by a mortgage or deed of trust
15 lien on any part or all of its properties. The bonds
16 shall be issued in the manner and in accordance with
17 the procedures and requirements specified for the
18 issuance of revenue bonds by county hospital
19 authorities in Sections 264.042, 264.043, 264.044,
20 264.046, 264.047, 264.048, and 264.049, Health and
21 Safety Code.

22 Revised Law

23 Sec. 1088.207. 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 or assumed by the district;
27 (2) the transfer and issuance of the bonds; and
28 (3) profits made in the sale of the bonds. (Acts 65th
29 Leg., R.S., Ch. 29, Sec. 22 (part).)

30 Source Law

31 Sec. 22. . . . any bonds issued or assumed by
32 it, their transfer and issuance, and any profits made
33 in the sale of them are at all times free from taxation
34 by the state or any municipality or political
35 subdivision.

36 Revisor's Note
37 (End of Subchapter)

38 (1) Sections 8(c) and 9, Chapter 29, Acts of the
39 65th Legislature, Regular Session, 1977, authorize the
40 district to issue refunding bonds for indebtedness
41 issued or assumed by the district. The revised law
42 omits those provisions because Chapter 1207,
43 Government Code, provides general authority for an
44 issuer, including a hospital district, to issue

1 refunding securities and prescribes procedures
2 applicable to the securities. The omitted law reads:

3 [Sec. 8]

4 (c) The board may issue refunding
5 bonds of the district for the purpose of
6 refunding and paying off any outstanding
7 indebtedness issued or assumed. The board
8 shall issue refunding bonds in accordance
9 with Chapter 1207, Government Code.

10 Sec. 9. [The board of directors is
11 authorized to] . . . refund any previously
12 issued revenue bonds

13 (2) Section 14, Chapter 29, Acts of the 65th
14 Legislature, Regular Session, 1977, provides that
15 district bonds are authorized investments for certain
16 entities. The revised law omits the provision as
17 unnecessary. As to several of the entities listed,
18 Section 14 has been superseded and impliedly repealed.
19 Investments in securities by banks are regulated by
20 Section 34.101, Finance Code (enacted in 1995 as
21 Section 5.101, Texas Banking Act (Article 342-5.101,
22 Vernon's Texas Civil Statutes)). Investments in
23 securities by savings banks are regulated by Section
24 93.001(c)(10), Finance Code (enacted in 1993 as
25 Section 7.15(10), Texas Savings Bank Act (Article
26 489e, Vernon's Texas Civil Statutes)). Investments in
27 securities by trust companies are regulated by Section
28 184.101, Finance Code (enacted in 1997 as Section
29 5.101, Texas Trust Company Act (Article 342a-5.101,
30 Vernon's Texas Civil Statutes)). Investments in
31 securities by savings and loan associations are
32 regulated by Sections 63.002 and 64.001, Finance Code.
33 As to the remaining entities listed, Section 14 is
34 superseded by Section 1201.041, Government Code,
35 enacted as Section 9, Bond Procedures Act of 1981
36 (Article 717k-6, Vernon's Texas Civil Statutes).
37 Section 1201.041, Government Code, applies to district
38 bonds by application of Section 1201.002, Government
39 Code. The revised law omits the reference to public

1 funds of this state because it has been superseded by
2 Section 404.024, Government Code (enacted in 1985 as
3 Section 2.014, Treasury Act (Article 4393-1, Vernon's
4 Texas Civil Statutes)), which governs the investment
5 of state funds. Section 404.024(b)(10), Government
6 Code, authorizes the investment of state funds in
7 obligations of political subdivisions, including
8 hospital districts. The omitted law reads:

9 Sec. 14. All bonds issued and assumed
10 by the district are legal and authorized
11 investments of banks, savings banks, trust
12 companies, building and loan associations,
13 savings and loan associations, insurance
14 companies, trustees, and sinking funds of
15 cities, towns, villages, counties, school
16 districts, or other political subdivisions
17 of the state, and for all public funds of
18 the state or its agencies including the
19 State Permanent School Fund. . . .

20 (3) Section 14, Chapter 29, Acts of the 65th
21 Legislature, Regular Session, 1977, effectively
22 provides that district bonds may secure deposits of
23 public funds of this state or political subdivisions
24 of this state. The revised law omits the provision as
25 impliedly repealed by Section 404.0221, Government
26 Code (enacted in 1995), which lists eligible
27 collateral for deposits of state funds by the
28 comptroller, and by Chapter 2257, Government Code
29 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
30 Statutes), which governs eligible collateral for
31 deposits of funds of other public agencies, including
32 political subdivisions. The omitted law reads:

33 Sec. 14. . . . Such bonds and
34 indebtedness are eligible to secure deposit
35 of public funds of the state, cities, towns,
36 villages, counties, school districts, or
37 other political subdivisions or
38 corporations of the state, and are lawful
39 and sufficient security for deposits to the
40 extent of their value when accompanied by
41 all their unmatured coupons.

42 [Sections 1088.208-1088.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Revised Law

3 Sec. 1088.251. 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 indebtedness issued or assumed by the
8 district;

9 (2) provide for the operation and maintenance of the
10 district and hospital system;

11 (3) make improvements and additions to the hospital
12 system; and

13 (4) acquire necessary sites for those improvements and
14 additions by purchase, lease, or condemnation.

15 (c) The board may not impose a tax to pay the principal of or
16 interest on revenue bonds. (Acts 65th Leg., R.S., Ch. 29, Secs.
17 4(b) (part), 13(a) (part).)

18 Source Law

19 [Sec. 4]

20 (b) . . . on all taxable property situated
21 within the district, subject to hospital district
22 taxation,

23 Sec. 13. (a) The board of directors shall
24 annually levy a tax . . . for the purpose of:

25 (1) paying the indebtedness issued or
26 assumed by the hospital district but no tax may be
27 levied to pay principal or interest on revenue bonds;

28 (2) providing for the operation and
29 maintenance of the hospital district and hospital
30 system; and

31 (3) making further improvements and
32 additions to the hospital system, and acquiring
33 necessary sites for them by purchase, lease, or
34 condemnation.

35 Revised Law

36 Sec. 1088.252. TAX RATE. (a) The board may impose the tax
37 at a rate not to exceed 75 cents on each \$100 valuation of taxable
38 property in the district.

39 (b) In setting the tax rate, the board shall consider the
40 income of the district from sources other than taxation. (Acts 65th
41 Leg., R.S., Ch. 29, Secs. 4(b) (part), 13(a) (part), (b) (part).)

1 Source Law

2 [Sec. 4]

3 (b) [At the election there shall be submitted to
4 the electors of the area of the proposed district the
5 proposition of whether the hospital district shall be
6 created with authority to have transferred to it the
7 existing hospital facilities of Reagan County and any
8 city or town in the district, including the city of Big
9 Lake, and to levy annual taxes] at a rate not to exceed
10 75 cents on the \$100 valuation on all taxable property
11 situated within the district, subject to hospital
12 district taxation,

13 Sec. 13. (a) [The board of directors shall
14 annually levy a tax] not to exceed the amount permitted
15 by this Act

16 (b) In setting the tax rate, the board shall
17 take into consideration the income of the district
18 from sources other than taxation. . . .

19 Revisor's Note

20 Section 13(b), Chapter 29, Acts of the 65th
21 Legislature, Regular Session, 1977, requires the board
22 to levy the tax and to certify the tax rate to the tax
23 assessor-collector. The revised law omits that
24 provision because Section 26.05(a), Tax Code, requires
25 the governing body of a taxing unit to adopt a tax rate
26 for the current tax year and to notify the tax assessor
27 of that rate. The omitted law reads:

28 (b) . . . On determination of the
29 amount of tax required to be levied, the
30 board shall make the levy and certify it to
31 the tax assessor-collector.

32 Revised Law

33 Sec. 1088.253. TAX ASSESSOR-COLLECTOR. The board may
34 provide for the appointment of a tax assessor-collector for the
35 district or may contract for the assessment and collection of taxes
36 as provided by the Tax Code. (Acts 65th Leg., R.S., Ch. 29, Sec. 16
37 (part).)

38 Source Law

39 Sec. 16. . . . The board may provide for the
40 appointment of a tax assessor-collector for the
41 district or may contract for the assessment and
42 collection of taxes as provided by the Tax Code.

43 Revisor's Note
44 (End of Subchapter)

45 (1) Section 6(j), Chapter 29, Acts of the 65th

1 Legislature, Regular Session, 1977, authorizes the
2 board to institute a suit to enforce the payment of
3 taxes and to foreclose liens to secure that payment.
4 The revised law omits that provision because it
5 duplicates Chapter 33, Tax Code, which authorizes a
6 taxing unit of government to file suit to enforce the
7 payment of taxes and to foreclose a lien to secure that
8 payment. The omitted law reads:

9 (j) The board may institute a suit to
10 enforce the payment of taxes and to
11 foreclose liens to secure the payment of
12 taxes due to the district.

13 (2) Section 16, Chapter 29, Acts of the 65th
14 Legislature, Regular Session, 1977, provides that the
15 district may impose taxes for the entire year in which
16 the district is established. The revised law omits
17 that provision as executed. The omitted law reads:

18 Sec. 16. The directors shall have the
19 authority to levy taxes for the entire year
20 in which the district is established. . . .

21 (3) Section 16, Chapter 29, Acts of the 65th
22 Legislature, Regular Session, 1977, provides that the
23 Tax Code governs the appraisal, assessment, and
24 collection of district taxes. The revised law omits
25 that provision because Section 1.02, Tax Code,
26 requires all taxing units of government to administer
27 the assessment and collection of an ad valorem tax in
28 conformity with Title 1, Tax Code. The omitted law
29 reads:

30 Sec. 16. . . . The Tax Code governs
31 the appraisal of property for and
32 assessment and collection of district
33 taxes. . . .

34 [Sections 1088.254-1088.300 reserved for expansion]

35 SUBCHAPTER G. DISSOLUTION

36 Revised Law

37 Sec. 1088.301. DISSOLUTION; ELECTION. (a) The district
38 may be dissolved only on approval of a majority of the district

1 voters voting in an election held for that purpose.

2 (b) The board may order an election on the question of
3 dissolving the district and disposing of the district's assets and
4 obligations.

5 (c) The board shall order an election if the board receives
6 a petition requesting an election that is signed by at least 15
7 percent of the registered voters of the district.

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

9 (1) the nature of the election, including the
10 proposition to appear on the ballot;

11 (2) the date of the election;

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

13 (4) the location of the polling places.

14 (e) Section 41.001(a), Election Code, does not apply to an
15 election ordered under this section. (Acts 65th Leg., R.S., Ch. 29,
16 Secs. 18A(a), (b), (c) (part).)

17 Source Law

18 Sec. 18A. (a) The district may be dissolved
19 only if the dissolution is approved by a majority of
20 the qualified voters of the district voting in an
21 election called and held for that purpose.

22 (b) The board may order an election on the
23 question of dissolving the district and disposing of
24 the district's assets and obligations. The board shall
25 order an election if the board receives a petition
26 requesting an election that is signed by at least 15
27 percent of the registered voters in the district.

28 (c) . . . Section 41.001(a), Election Code,
29 does not apply to an election ordered under this
30 section. The order calling the election shall state:

31 (1) the nature of the election, including
32 the proposition that is to appear on the ballot;

33 (2) the date of the election;

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

36 (4) the location of the polling places.

37 Revisor's Note

38 (1) Section 18A(a), Chapter 29, Acts of the 65th
39 Legislature, Regular Session, 1977, provides for
40 dissolution of the district if approved by a majority
41 of the "qualified" voters. The revised law omits
42 "qualified" for the reason stated in the revisor's note
43 to Section 1088.203.

1 (2) Section 18A(a), Chapter 29, Acts of the 65th
2 Legislature, Regular Session, 1977, provides that the
3 district may be dissolved if authorized at an election
4 "called and held" for that purpose. The revised law
5 omits the reference to "calling" an election because,
6 in this context, "calling" an election is included in
7 the meaning of "holding" an election. Under Chapter 3,
8 Election Code, all elections must be ordered (called)
9 before they may be held.

10 (3) Section 18A(c), Chapter 29, Acts of the 65th
11 Legislature, Regular Session, 1977, states that the
12 election must be held not later than the 60th day after
13 the date the election is ordered. The revised law
14 omits the provision as superseded by Section 3.005,
15 Election Code, applicable to the district under
16 Section 1.002, Election Code. Section 3.005, as
17 amended by Chapter 925, Acts of the 78th Legislature,
18 Regular Session, 2003, requires an election order
19 issued by the authority of a political subdivision to
20 be issued not later than the 62nd day before election
21 day and provides that Section 3.005 supersedes a law
22 outside the Election Code to the extent of any
23 conflict. The omitted law reads:

24 (c) The election shall be held not
25 later than the 60th day after the date the
26 election is ordered. . . .

27 Revised Law

28 Sec. 1088.302. NOTICE OF ELECTION. (a) The board shall
29 give notice of an election under this subchapter by publishing once
30 a week for two consecutive weeks a substantial copy of the election
31 order in a newspaper with general circulation in the district.

32 (b) The first publication of the notice must appear not
33 later than the 35th day before the date set for the election. (Acts
34 65th Leg., R.S., Ch. 29, Sec. 18A(d) (part).)

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Source Law

(d) The board shall give notice of the election by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks. The first publication must appear not less than 35 days before the date set for the election. . . .

Revised Law

Sec. 1088.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Reagan Hospital District of Reagan County, Texas." (Acts 65th Leg., R.S., Ch. 29, Sec. 18A(d) (part).)

Source Law

(d) . . . The ballot for the election shall be printed to permit voting for or against the proposition: "The dissolution of the Reagan Hospital District of Reagan County, Texas."

Revised Law

Sec. 1088.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district. (Acts 65th Leg., R.S., Ch. 29, Sec. 18A(e).)

Source Law

(e) If a majority of the votes in the election favor dissolution, the board shall find that the district is dissolved. If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the most recent election to dissolve the district.

Revised Law

Sec. 1088.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election held under this subchapter favor dissolution, the board shall:
(1) transfer the land, buildings, improvements,

1 equipment, and other assets that belong to the district to Reagan
2 County or to another governmental entity in Reagan County;

3 (2) sell the assets and liabilities to another person;
4 or

5 (3) administer the property, assets, and debts until
6 all money has been disposed of and all district debts have been paid
7 or settled.

8 (b) If the board makes the transfer under Subsection (a)(1),
9 the county or entity assumes all debts and obligations of the
10 district at the time of the transfer, and the district is dissolved.

11 (c) If the board does not make the transfer under Subsection
12 (a)(1), the board shall sell the assets and liabilities to another
13 person under Subsection (a)(2) or administer the property, assets,
14 and debts of the district under Subsection (a)(3), and the district
15 is dissolved when all money has been disposed of and all district
16 debts have been paid or settled. (Acts 65th Leg., R.S., Ch. 29,
17 Secs. 18A(f), (g), (m) (part).)

18 Source Law

19 (f) If a majority of the votes in the election
20 favor dissolution, the board shall:

21 (1) transfer the land, buildings,
22 improvements, equipment, and other assets that belong
23 to the district to Reagan County or to another
24 governmental entity in Reagan County;

25 (2) sell the assets and liabilities to
26 another person; or

27 (3) administer the property, assets, and
28 debts until all funds have been disposed of and all
29 district debts have been paid or settled.

30 (g) If the district transfers the land,
31 buildings, improvements, equipment, and other assets
32 to a county or other governmental entity, the county or
33 entity assumes all debts and obligations of the
34 district at the time of the transfer and the district
35 is dissolved. If the district does not transfer the
36 land, buildings, improvements, equipment, and other
37 assets to a county or other governmental entity, the
38 board shall sell the assets and liabilities to another
39 person or administer the property, assets, and debts
40 of the district until all funds have been disposed of
41 and all district debts have been paid or settled, at
42 which time the district is dissolved.

43 (m) The district may provide for the sale or
44 transfer of the district's assets and liabilities to
45 another person or entity. . . .

46 Revisor's Note

47 Section 18A(m), Chapter 29, Acts of the 65th

1 Legislature, Regular Session, 1977, refers to "another
2 person or entity." The revised law omits "entity"
3 because "entity" is included in the meaning of
4 "person" under Section 311.005(2), Government Code
5 (Code Construction Act).

6 Revised Law

7 Sec. 1088.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

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

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

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

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

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

25 (d) A grant from federal funds is an obligation to be repaid
26 in satisfaction. (Acts 65th Leg., R.S., Ch. 29, Secs. 18A(m)
27 (part), (n).)

28 Source Law

29 (m) . . . The dissolution of the district and
30 the sale or transfer of the district's assets and
31 liabilities to another person or entity may not
32 contravene a trust indenture or bond resolution
33 relating to the outstanding bonds of the district. The
34 dissolution and sale or transfer does not diminish or
35 impair the rights of a holder of an outstanding bond,
36 warrant, or other obligation of the district.

37 (n) The sale or transfer of the district's
38 assets and liabilities must satisfy the debt and bond
39 obligations of the district in a manner that protects
40 the interests of the residents of the district,

1 including the residents' collective property rights in
2 the district's assets. A grant from federal funds is
3 an obligation to be repaid in satisfaction. The
4 district may not transfer or dispose of the district's
5 assets except for due compensation unless the transfer
6 is made to another governmental entity that serves the
7 district and the transferred assets are to be used for
8 the benefit of the residents of the district.

9 Revisor's Note

10 Section 18A(m), Chapter 29, Acts of the 65th
11 Legislature, Regular Session, 1977, refers to "another
12 person or entity." The revised law omits "entity" for
13 the reason stated in the revisor's note to Section
14 1088.305.

15 Revised Law

16 Sec. 1088.307. IMPOSITION OF TAX AND RETURN OF SURPLUS
17 TAXES. (a) After the board finds that the district is dissolved,
18 the board shall:

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

20 (2) impose on the property included in the district's
21 tax rolls a tax that is in proportion of the debt to the property
22 value.

23 (b) On the payment of all outstanding debts and obligations
24 of the district, the board shall order the secretary to return to
25 each district taxpayer the taxpayer's pro rata share of all unused
26 tax money.

27 (c) A taxpayer may request that the taxpayer's share of
28 surplus tax money be credited to the taxpayer's county taxes. If a
29 taxpayer requests the credit, the board shall direct the secretary
30 to transmit the money to the county tax assessor-collector. (Acts
31 65th Leg., R.S., Ch. 29, Secs. 18A(h), (i), (j).)

32 Source Law

33 (h) After the board finds that the district is
34 dissolved, the board shall:

35 (1) determine the debt owed by the
36 district; and

37 (2) impose on the property included in the
38 district's tax rolls a tax that is in proportion of the
39 debt to the property value.

40 (i) When all outstanding debts and obligations
41 of the district are paid, the board shall order the
42 secretary to return the pro rata share of all unused
43 tax money to each district taxpayer.

44 (j) A taxpayer may request that the taxpayer's

1 share of surplus tax money be credited to the
2 taxpayer's county taxes. If a taxpayer requests the
3 credit, the board shall direct the secretary to
4 transmit the funds to the county tax
5 assessor-collector.

6 Revised Law

7 Sec. 1088.308. REPORT; DISSOLUTION ORDER. (a) After the
8 district has paid all district debts and has disposed of all
9 district money and other assets as prescribed by this subchapter,
10 the board shall file a written report with the Commissioners Court
11 of Reagan County summarizing the board's actions in dissolving the
12 district.

13 (b) Not later than the 10th day after the date the
14 Commissioners Court of Reagan County receives the report and
15 determines that the requirements of this subchapter have been
16 fulfilled, the commissioners court shall enter an order dissolving
17 the district and releasing the board from any further duty or
18 obligation. (Acts 65th Leg., R.S., Ch. 29, Secs. 18A(k), (l).)

19 Source Law

20 (k) After the district has paid all its debts
21 and has disposed of all its assets and funds as
22 prescribed by this section, the board shall file a
23 written report with the Commissioners Court of Reagan
24 County setting forth a summary of the board's actions
25 in dissolving the district.

26 (l) Not later than the 10th day after the date it
27 receives the report and determines that the
28 requirements of this section have been fulfilled, the
29 Commissioners Court of Reagan County shall enter an
30 order dissolving the district and releasing the board
31 of directors of the district from any further duty or
32 obligation.

33 Revisor's Note
34 (End of Chapter)

35 (1) Sections 3(b) and 20, Chapter 29, Acts of
36 the 65th Legislature, Regular Session, 1977, provide
37 for the transfer of certain land, buildings,
38 improvements, equipment, funds, and taxes to the
39 district after the district is created and provide for
40 the assumption of debt by the district on creation.
41 The revised law omits the provisions as executed. The
42 omitted law reads:

43 [Sec. 3]

44 (b) The district authorized to be

1 created shall have transferred to it the
2 title to all land, buildings, improvements,
3 equipment, and other property in any way
4 pertaining to the hospital system owned by
5 Reagan County or a city or town in the
6 district including the city of Big
7 Lake. . . . The district shall assume all
8 outstanding obligations and indebtedness
9 incurred by a city or town including the
10 city of Big Lake or by Reagan County for
11 hospital purposes within the boundaries of
12 the district before the creation of the
13 district.

14 Sec. 20. . . . When the district is
15 established, the county and all towns and
16 cities located in the district shall convey
17 and transfer to the district title to all
18 lands, buildings, improvements, and
19 equipment pertaining to a hospital or
20 hospital system jointly or separately owned
21 by the county or any city or town within the
22 district. Operating funds and reserves for
23 operating expenses which are on hand and
24 funds which have been budgeted for hospital
25 purposes by the county or any city or town
26 in the district for the remainder of the
27 fiscal year in which the district is
28 established shall likewise be transferred
29 to the district, as shall taxes levied for
30 hospital purposes for the current year, and
31 all sinking funds established for payment
32 of indebtedness assumed by the district.

33 (2) Section 23, Chapter 29, Acts of the 65th
34 Legislature, Regular Session, 1977, effectively
35 provides that the act is severable. The revised law
36 omits that provision because it duplicates Section
37 311.032, Government Code (Code Construction Act),
38 which provides that a provision of a statute is
39 severable from each other provision of the statute
40 that can be given effect. The omitted law reads:

41 Sec. 23. . . . If any provision of
42 this Act is invalid, this fact shall not
43 affect the authorization for the creation
44 of the district or the validity of any other
45 provisions of this Act, and the legislature
46 hereby declares that it would have created
47 the district and enacted the valid
48 provisions of this Act notwithstanding the
49 invalidity of any other provision.

50 (3) Section 24, Chapter 29, Acts of the 65th
51 Legislature, Regular Session, 1977, provides that
52 public notice of enactment of the statute was provided
53 in a manner that satisfies the requirements of the
54 Texas Constitution. The revised law omits that

1 section as executed. The omitted law reads:

2 Sec. 24. Proof of publication of the
3 notice required in the enactment of this Act
4 under the provisions of Article IX, Section
5 9, of the Texas Constitution, has been made
6 in the manner and form provided by law
7 pertaining to the enactment of local and
8 special laws, and the notice is found
9 sufficient to satisfy this requirement.

10 CHAPTER 1089. REEVES COUNTY HOSPITAL DISTRICT

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16 CHAPTER 1089. REEVES COUNTY HOSPITAL DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Revised Law

19 Sec. 1089.001. 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 Reeves County Hospital
- 24 District. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 1.01.)

25 Source Law

26 Sec. 1.01. In Articles 1 through 8 of this Act:

- 27 (1) "District" means the Reeves County
- 28 Hospital District.
- 29 (2) "Board" means the board of directors
- 30 of the district.
- 31 (3) "Director" means a member of the
- 32 board.

33 Revised Law

34 Sec. 1089.002. AUTHORITY FOR OPERATION. The Reeves County

35 Hospital District operates and is financed as provided by Section

36 9, Article IX, Texas Constitution, and by this chapter. (Acts 70th

37 Leg., 2nd C.S., Ch. 11, Sec. 1.02.)

1 Source Law

2 Sec. 1.02. The Reeves County Hospital District
3 may be created and established and, if created, must be
4 maintained, operated, and financed in the manner
5 provided by Article IX, Section 9, of the Texas
6 Constitution and by this Act.

7 Revisor's Note

8 Section 1.02, Chapter 11, Acts of the 70th
9 Legislature, 2nd Called Session, 1987, provides that
10 the district "may be created and established and, if
11 created, must be maintained, operated, and financed"
12 in the manner provided by the Texas Constitution and
13 the act. The revised law omits references to the
14 establishment and creation of the district as
15 executed. The revised law omits "maintained" because,
16 in this context, the meaning of that term is included
17 in the meaning of "operated."

18 Revised Law

19 Sec. 1089.003. ESSENTIAL PUBLIC FUNCTION. The district is
20 a public entity performing an essential public function. (Acts
21 70th Leg., 2nd C.S., Ch. 11, Sec. 7.11 (part).)

22 Source Law

23 Sec. 7.11. Since the district created under
24 this Act is a public entity performing an essential
25 public function,

26 Revised Law

27 Sec. 1089.004. DISTRICT TERRITORY. The boundaries of the
28 district are coextensive with the boundaries of Reeves County.
29 (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 1.03.)

30 Source Law

31 Sec. 1.03. The boundaries of the district are
32 coextensive with the boundaries of Reeves County.

33 Revised Law

34 Sec. 1089.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
35 OBLIGATION. This state may not become obligated for the support or
36 maintenance of the district. (Acts 70th Leg., 2nd C.S., Ch. 11,
37 Sec. 17.01 (part).)

1 Source Law

2 Sec. 17.01. The state may not become obligated
3 for the support or maintenance of a hospital district
4 created under this Act,

5 Revised Law

6 Sec. 1089.006. 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 70th Leg., 2nd C.S., Ch. 11, Sec. 17.01 (part).)

10 Source Law

11 Sec. 17.01. . . . nor may the legislature make a
12 direct appropriation for the construction,
13 maintenance, or improvement of a facility of a
14 hospital district created under this Act.

15 Revisor's Note
16 (End of Subchapter)

17 Article 3, Chapter 11, Acts of the 70th
18 Legislature, 2nd Called Session, 1987, provides
19 procedures for holding an election on creation of the
20 district and the imposition of an ad valorem tax.
21 Because the creation of the district and the
22 imposition of the tax were approved at an election, the
23 revised law omits that article as executed. The
24 omitted law reads:

25 Sec. 3.01. The district may be
26 created and a tax may be authorized only if
27 the creation and the tax are approved by a
28 majority of the qualified voters of the
29 territory of the proposed district voting
30 at an election called and held for that
31 purpose.

32 Sec. 3.02. The temporary directors
33 of the district shall order a creation
34 election to be held.

35 Sec. 3.03. The order calling the
36 election must state:

37 (1) the nature of the election,
38 including the proposition that is to appear
39 on the ballot;

40 (2) the date of the election;

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

43 (4) the location of the polling
44 places.

45 Sec. 3.04. The temporary directors
46 shall give notice of the election by
47 publishing a substantial copy of the
48 election order in a newspaper with general
49 circulation in the proposed district once a
50 week for two consecutive weeks. The first

1 publication must appear at least 35 days
2 before the date set for the election.

3 Sec. 3.05. (a) The election shall be
4 held not less than 45 days nor more than 60
5 days after the date on which the election is
6 ordered.

7 (b) Subsection (a), Section 41.001,
8 Election Code, does not apply to an election
9 ordered under this article.

10 Sec. 3.06. The ballot for an election
11 at which the issuance of bonds is not
12 proposed shall be printed to permit voting
13 for or against the proposition: "The
14 creation of the Reeves County Hospital
15 District and the levy of annual taxes for
16 hospital purposes at a rate not to exceed 75
17 cents on each \$100 valuation of all taxable
18 property in the district."

19 Sec. 3.07. (a) The temporary
20 directors of the district shall meet and
21 canvass the returns of the election.

22 (b) If the temporary directors find
23 that the election results are favorable to
24 the proposition to create the district,
25 they shall issue an order declaring the
26 district created.

27 (c) If the temporary directors find
28 that the election results are not favorable
29 to the proposition to create the district,
30 another creation election may not be held
31 within 12 months after the date of the
32 election at which voters disapproved the
33 proposition.

34 Sec. 3.08. If the creation of the
35 district is not approved at an election held
36 within 60 months after the effective date of
37 this Act, this Act expires.

38 [Sections 1089.007-1089.050 reserved for expansion]

39 SUBCHAPTER B. DISTRICT ADMINISTRATION

40 Revised Law

41 Sec. 1089.051. BOARD ELECTION; TERM. (a) The district is
42 governed by a board of five directors.

43 (b) One director is elected from each commissioners
44 precinct and one director is elected from the district at large.

45 (c) Unless four-year terms are established under Section
46 285.081, Health and Safety Code:

47 (1) directors serve staggered two-year terms; and

48 (2) an election shall be held on the uniform election
49 date in May of each year to elect the appropriate number of
50 directors. (Acts 70th Leg., 2nd C.S., Ch. 11, Secs. 4.01(a),
51 4.03(a), (d).)

52 Source Law

53 Sec. 4.01. (a) The district is governed by a

1 board of five directors.

2 Sec. 4.03. (a) One director shall be elected
3 from each commissioner precinct, and one director
4 shall be elected from the district at large.

5 (d) After the initial election of directors, an
6 election shall be held on the third Saturday in May
7 each year and the appropriate number of successor
8 directors shall be elected to two-year terms.

9 Revisor's Note

10 (1) Section 4.01(b), Chapter 11, Acts of the
11 70th Legislature, 2nd Called Session, 1987, provides
12 for temporary directors to serve as directors of the
13 district. The revised law omits the provision as
14 executed. The omitted law reads:

15 (b) From the time the creation of the
16 district is approved until the elected
17 directors take office, the temporary
18 directors serve as directors of the
19 district.

20 (2) Section 4.03(b), Chapter 11, Acts of the
21 70th Legislature, 2nd Called Session, 1987, prescribes
22 the procedure for electing the initial board of
23 directors. The revised law omits the provision as
24 executed. The omitted law reads:

25 (b) At the initial election of
26 directors, the candidate receiving the
27 highest number of votes from a commissioner
28 precinct is the director for that precinct
29 and the candidate receiving the highest
30 number of votes from the district at large
31 is the director for the district at large.

32 (3) Section 4.03(c), Chapter 11, Acts of the
33 70th Legislature, 2nd Called Session, 1987, prescribes
34 the terms of the initial directors and, in doing so,
35 establishes staggered two-year terms for the
36 directors. The revised law omits the provision as
37 executed but codifies the establishment of staggered
38 two-year terms. The omitted law reads:

39 (c) The candidates elected from
40 odd-numbered precincts at the initial
41 election serve for a term of two years, and
42 the candidates elected from the
43 even-numbered precincts at that election
44 serve for a term of one year. The candidate
45 elected as the director from the district at
46 large at the initial election serves for a

1 term of two years.

2 (4) Section 4.03(d), Chapter 11, Acts of the
3 70th Legislature, 2nd Called Session, 1987, requires
4 board elections to be held on the "third Saturday in
5 May." From 1986 to 2003, Section 41.001, Election
6 Code, provided for a uniform election date for all
7 political subdivisions on the first Saturday in May.
8 In Chapter 1315, Acts of the 78th Legislature, Regular
9 Session, 2003, the legislature amended Section 41.001
10 by moving the uniform election date in May to the third
11 Saturday. In Chapter 1, Acts of the 78th Legislature,
12 3rd Called Session, 2003, the legislature amended
13 Section 41.001 by moving the uniform election date in
14 May back to the first Saturday. In Chapter 471, Acts
15 of the 79th Legislature, Regular Session, 2005, the
16 legislature amended Section 41.001 by moving the
17 uniform election date in May to the second Saturday.
18 The revised law substitutes "uniform election date in
19 May" for "third Saturday in May" to reflect these
20 changes and to recognize that the uniform election
21 date for that month as provided by Section 41.001,
22 Election Code, controls under Section 41.005, Election
23 Code.

24 (5) Section 4.03(d), Chapter 11, Acts of the
25 70th Legislature, 2nd Called Session, 1987, provides
26 that directors serve two-year terms. Section 285.081,
27 Health and Safety Code, applicable to this hospital
28 district, provides a mechanism by which the governing
29 board of a hospital district, on its own motion, may
30 order that the members are to be elected in
31 even-numbered years to serve four-year terms. The
32 revised law is drafted accordingly and adds a
33 reference to Section 285.081, Health and Safety Code,
34 for the convenience of the reader.

1 Revised Law

2 Sec. 1089.052. NOTICE OF ELECTION. At least 35 days before
3 the date of an election of directors, notice of the election shall
4 be published one time in a newspaper with general circulation in the
5 district. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 4.04.)

6 Source Law

7 Sec. 4.04. At least 35 days before the date of
8 an election of directors, notice of the election shall
9 be published one time in a newspaper with general
10 circulation in the district.

11 Revised Law

12 Sec. 1089.053. QUALIFICATIONS FOR OFFICE. (a) To be
13 eligible to be a candidate for or to serve as a director, a person
14 must be:

15 (1) a resident of the district; and

16 (2) a qualified voter.

17 (b) A person who is elected from a commissioners precinct or
18 who is appointed to fill a vacancy for a commissioners precinct must
19 be a resident of that commissioners precinct.

20 (c) A district employee may not serve as a director. (Acts
21 70th Leg., 2nd C.S., Ch. 11, Sec. 4.06.)

22 Source Law

23 Sec. 4.06. (a) To be eligible to be a candidate
24 for or to serve as a director, a person must be:

25 (1) a resident of the district; and

26 (2) a qualified voter.

27 (b) In addition to the qualifications required
28 by Subsection (a) of this section, a person who is
29 elected from a commissioner precinct or who is
30 appointed to fill a vacancy for a commissioner
31 precinct must be a resident of that commissioner
32 precinct.

33 (c) An employee of the district may not serve as
34 a director.

35 Revised Law

36 Sec. 1089.054. BOND; RECORD OF BOND. (a) Before assuming
37 the duties of office, each director must execute a bond for \$5,000
38 that is:

39 (1) payable to the district; and

40 (2) conditioned on the faithful performance of the
41 director's duties.

1 (b) The board may pay for a director's bond with district
2 money.

3 (c) The bond shall be kept in the permanent records of the
4 district. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 4.07.)

5 Source Law

6 Sec. 4.07. (a) Before assuming the duties of
7 the office, each director must execute a bond for
8 \$5,000 payable to the district, conditioned on the
9 faithful performance of the person's duties as
10 director.

11 (b) The bond shall be kept in the permanent
12 records of the district.

13 (c) The board may pay for directors' bonds with
14 district funds.

15 Revised Law

16 Sec. 1089.055. 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 70th Leg., 2nd C.S., Ch. 11,
19 Sec. 4.08.)

20 Source Law

21 Sec. 4.08. A vacancy in the office of director
22 shall be filled for the unexpired term by appointment
23 by the remaining directors.

24 Revised Law

25 Sec. 1089.056. 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
28 director.

29 (c) Each officer of the board serves for a term of one year.

30 (d) The board shall fill a vacancy in a board office for the
31 unexpired term. (Acts 70th Leg., 2nd C.S., Ch. 11, Secs. 4.09,
32 4.10.)

33 Source Law

34 Sec. 4.09. The board shall elect from among its
35 members a president and a vice-president. The board
36 shall also appoint a secretary. The secretary need not
37 be a director.

38 Sec. 4.10. (a) Each officer of the board serves
39 for a term of one year.

40 (b) A vacancy in a board office shall be filled
41 for the unexpired term by the board.

42 Revised Law

43 Sec. 1089.057. 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. 11, Sec. 4.11.)

7 Source Law

8 Sec. 4.11. Directors and officers serve without
9 compensation but may be reimbursed for actual expenses
10 incurred in the performance of official duties. Those
11 expenses must be reported in the district's minute book
12 or other district records and must be approved by the
13 board.

14 Revisor's Note

15 Section 4.11, Chapter 11, Acts of the 70th
16 Legislature, 2nd Called Session, 1987, provides that
17 approved expenses must be reported in the "district's
18 minute book or other district records." The revised
19 law omits the reference to "the district's minute book"
20 because the minute book is a district record.

21 Revised Law

22 Sec. 1089.058. VOTING REQUIREMENT. A concurrence of a
23 majority of the directors voting is necessary in any matter
24 relating to district business. (Acts 70th Leg., 2nd C.S., Ch. 11,
25 Sec. 4.12.)

26 Source Law

27 Sec. 4.12. A concurrence of a majority of the
28 members of the board voting is necessary in matters
29 relating to the business of the district.

30 Revised Law

31 Sec. 1089.059. DISTRICT ADMINISTRATOR. (a) The board may
32 appoint a qualified person as district administrator.

33 (b) The district administrator serves at the will of the
34 board and is entitled to the compensation determined by the board.

35 (c) Before assuming the duties of district administrator,
36 the administrator must execute a bond in the amount determined by
37 the board of not less than \$5,000 that is:

- 38 (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 board may pay for the bond with district money.
4 (Acts 70th Leg., 2nd C.S., Ch. 11, Secs. 4.13(a) (part), (b) (part),
5 (c) (part), (d).)

6 Source Law

7 Sec. 4.13. (a) The board may appoint qualified
8 persons as administrator of the district,

9 (b) The administrator, . . . serve at the will
10 of the board.

11 (c) The administrator, . . . are entitled to
12 compensation as determined by the board.

13 (d) Before assuming his duties, the
14 administrator shall execute a bond payable to the
15 hospital district in the amount of not less than \$5,000
16 as determined by the board, conditioned on the
17 faithful performance of his duties under this Act. The
18 board may pay for the bond with district funds.

19 Revised Law

20 Sec. 1089.060. 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 general affairs of the district. (Acts
26 70th Leg., 2nd C.S., Ch. 11, Sec. 4.16.)

27 Source Law

28 Sec. 4.16. The administrator shall supervise
29 the work and activities of the district and shall
30 direct the general affairs of the district, subject to
31 the limitations prescribed by the board.

32 Revised Law

33 Sec. 1089.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

34 (a) The board may appoint qualified persons as:

35 (1) the assistant district administrator; and

36 (2) the attorney for the district.

37 (b) The assistant district administrator and the attorney
38 for the district serve at the will of the board and are entitled to
39 the compensation determined by the board. (Acts 70th Leg., 2nd
40 C.S., Ch. 11, Secs. 4.13(a) (part), (b) (part), (c) (part).)

1 Sec. 4.05. (a) A person who wishes
2 to have his name printed on the ballot as a
3 candidate for director must file an
4 application with the secretary of the board
5 of directors.

6 (4) Section 4.05(b), Chapter 11, Acts of the
7 70th Legislature, 2nd Called Session, 1987, provides
8 that a ballot application must specify the county
9 commissioner precinct a candidate wishes to represent
10 or specify that the candidate wishes to represent the
11 district at large. The revised law omits the provision
12 because it duplicates Section 141.031(4)(C), Election
13 Code, which requires a candidate to state on the ballot
14 application the office sought by the candidate,
15 including any place number or other distinguishing
16 number. The omitted law reads:

17 (b) The application must specify the
18 commissioner precinct the candidate wishes
19 to represent or specify that the candidate
20 wishes to represent the district at large.

21 (5) Section 4.05A, Chapter 11, Acts of the 70th
22 Legislature, 2nd Called Session, 1987, provides that
23 an election held under Chapter 11 must be held in
24 compliance with the Texas Election Code, except as
25 provided by Chapter 11. The revised law omits the
26 provision because Section 1.002, Election Code,
27 provides that the Election Code applies to all
28 elections held in this state. An exception to the
29 application of the Election Code would apply by its own
30 terms. The omitted law reads:

31 Sec. 4.05A. Except as otherwise
32 provided by this Act, an election held under
33 this Act must be held in compliance with the
34 applicable provisions of the Election Code.

35 [Sections 1089.064-1089.100 reserved for expansion]

36 SUBCHAPTER C. POWERS AND DUTIES

37 Revised Law

38 Sec. 1089.101. DISTRICT RESPONSIBILITY. The district has
39 full responsibility for:

1 (1) operating hospital facilities; and
2 (2) providing medical and hospital care for the
3 district's needy inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 11,
4 Sec. 5.02 (part).)

5 Source Law

6 Sec. 5.02. On creation of the district, the
7 district:

8 (1) assumes full responsibility for
9 operating hospital facilities and for furnishing
10 medical and hospital care for the district's needy
11 inhabitants;
12 . . .

13 Revisor's Note

14 Section 5.02, Chapter 11, Acts of the 70th
15 Legislature, 2nd Called Session, 1987, provides that
16 "[o]n creation of the district," the district
17 "assumes" certain responsibilities. The revised law
18 omits "[o]n creation of the district" as executed. The
19 revised law substitutes "has" for "assumes" because
20 the obligation to assume the responsibility is
21 executed.

22 Revised Law

23 Sec. 1089.102. RESTRICTION ON COUNTY TAXATION AND DEBT.
24 Reeves County may not impose a tax or issue bonds or other
25 obligations for hospital purposes or to provide medical care for
26 district residents. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec.
27 5.01(b).)

28 Source Law

29 (b) On or after creation of the district, Reeves
30 County may not levy taxes or issue bonds or other
31 obligations for hospital purposes or for providing
32 medical care for the residents of the district.

33 Revisor's Note

34 Section 5.01(b), Chapter 11, Acts of the 70th
35 Legislature, 2nd Called Session, 1987, provides that
36 "[o]n or after creation of the district," Reeves
37 County may not levy taxes or issue bonds for hospital
38 purposes. The revised law omits the quoted language as
39 executed. In addition, throughout this chapter, the

1 revised law substitutes "impose" for "levy" because,
2 in this context, the terms are synonymous and the
3 former is more commonly used.

4 Revised Law

5 Sec. 1089.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
6 The board shall manage, control, and administer the hospital system
7 and the district's money and resources. (Acts 70th Leg., 2nd C.S.,
8 Ch. 11, Sec. 5.03.)

9 Source Law

10 Sec. 5.03. The board shall manage, control, and
11 administer the hospital system and the funds and
12 resources of the district.

13 Revised Law

14 Sec. 1089.104. 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 the
18 district staff and employees. (Acts 70th Leg., 2nd C.S., Ch. 11,
19 Sec. 5.04.)

20 Source Law

21 Sec. 5.04. The board may adopt rules governing
22 the operation of the hospital and hospital systems and
23 the duties, functions, and responsibilities of
24 district staff and employees.

25 Revised Law

26 Sec. 1089.105. PURCHASING AND ACCOUNTING PROCEDURES. The
27 board may prescribe:
28 (1) the method of making purchases and expenditures by
29 and for the district; and
30 (2) accounting and control procedures for the
31 district. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 5.05.)

32 Source Law

33 Sec. 5.05. (a) The board may prescribe the
34 method of making purchases and expenditures by and for
35 the district.
36 (b) The board may prescribe accounting and
37 control procedures for the district.

38 Revised Law

39 Sec. 1089.106. MOBILE EMERGENCY MEDICAL SERVICE. The

1 district may operate or provide for the operation of a mobile
2 emergency medical service. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec.
3 5.02 (part).)

4 Source Law

5 Sec. 5.02. . . . the district:

6 . . .
7 (3) may operate or provide for the
8 operation of a mobile emergency medical service.

9 Revised Law

10 Sec. 1089.107. DISTRICT PROPERTY, FACILITIES, AND
11 EQUIPMENT. (a) The board shall determine:

12 (1) the type, number, and location of buildings
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 property, including facilities and
17 equipment, for the district for use in the hospital system; and

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

20 (c) The board may lease hospital facilities for the
21 district.

22 (d) The board may sell or otherwise dispose of the property,
23 including facilities or equipment, for the district. (Acts 70th
24 Leg., 2nd C.S., Ch. 11, Sec. 5.06.)

25 Source Law

26 Sec. 5.06. (a) The board shall determine the
27 type, number, and location of buildings required to
28 establish and maintain an adequate hospital system and
29 the type of equipment necessary for hospital care.

30 (b) The board may acquire property, facilities,
31 and equipment for the district for use in the hospital
32 system and may mortgage or pledge the property,
33 facilities, or equipment acquired as security for the
34 payment of the purchase price.

35 (c) The board may lease hospital facilities on
36 behalf of the district.

37 (d) The board may sell or otherwise dispose of
38 property, facilities, or equipment on behalf of the
39 district.

40 Revisor's Note

41 Section 5.06(a), Chapter 11, Acts of the 70th
42 Legislature, 2nd Called Session, 1987, requires the

1 board to determine the buildings required to
2 "establish and maintain" an adequate hospital system.
3 The revised law omits the reference to establishing
4 the hospital system as executed.

5 Revised Law

6 Sec. 1089.108. EMINENT DOMAIN. (a) The district may
7 exercise the power of eminent domain to acquire a fee simple or
8 other interest in property located in district territory if the
9 property interest is necessary for the district to exercise a right
10 or authority conferred by this chapter.

11 (b) The district may exercise the power of eminent domain in
12 the manner provided by Chapter 21, Property Code, except that the
13 district is not required to deposit in the trial court money or a
14 bond as provided by Section 21.021(a), Property Code.

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

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

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

21 (3) provide a bond for costs or a supersedeas bond on
22 an appeal or petition for review. (Acts 70th Leg., 2nd C.S., Ch.
23 11, Sec. 5.09.)

24 Source Law

25 Sec. 5.09. (a) The district may exercise the
26 power of eminent domain to acquire by condemnation a
27 fee simple or other interest in property located in the
28 territory of the district if the property interest is
29 necessary to the exercise of the rights or authority
30 conferred by this Act.

31 (b) The district may exercise the power of
32 eminent domain in the manner provided by Chapter 21,
33 Property Code, but the district is not required to
34 deposit in the trial court money or execute a bond as
35 provided by Subsection (a), Section 21.021, Property
36 Code.

37 (c) In a condemnation proceeding brought by the
38 district, the district is not required to pay in
39 advance or give bond or other security for costs in the
40 trial court, to give bond for the issuance of a
41 temporary restraining order or a temporary injunction,
42 or to give bond for costs or supersedeas on an appeal
43 or writ of error.

1 Revisor's Note

2 Section 5.09(c), Chapter 11, Acts of the 70th
3 Legislature, 2nd Called Session, 1987, refers to a
4 "writ of error." The revised law substitutes
5 "petition for review" for "writ of error" because,
6 effective September 1, 1997, the Texas Supreme Court
7 replaced the writ of error procedure with the petition
8 for review procedure. See Rule 53.1, Texas Rules of
9 Appellate Procedure.

10 Revised Law

11 Sec. 1089.109. COST OF RELOCATING OR ALTERING PROPERTY. In
12 exercising the power of eminent domain, if the board requires
13 relocating, raising, lowering, rerouting, changing the grade of, or
14 altering the construction of any railroad, highway, pipeline,
15 electric transmission and electric distribution, telegraph, or
16 telephone line, conduit, pole, or facility, the district must bear
17 the actual cost of relocating, raising, lowering, rerouting,
18 changing the grade, or altering the construction to provide
19 comparable replacement, without enhancement of facilities, after
20 deducting the net salvage value derived from the old facility.
21 (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 5.10.)

22 Source Law

23 Sec. 5.10. In exercising the power of eminent
24 domain, if the board requires relocating, raising,
25 lowering, rerouting, changing the grade, or altering
26 the construction of any railroad, highway, pipeline,
27 or electric transmission and electric distribution,
28 telegraph, or telephone lines, conduits, poles, or
29 facilities, the district must bear the actual cost of
30 relocating, raising, lowering, rerouting, changing
31 the grade, or altering the construction to provide
32 comparable replacement without enhancement of
33 facilities, after deducting the net salvage value
34 derived from the old facility.

35 Revised Law

36 Sec. 1089.110. GIFTS AND ENDOWMENTS. The board may accept
37 for the district a gift or endowment to be held in trust for any
38 purpose and under any direction, limitation, or other provision
39 prescribed in writing by the donor that is consistent with the
40 proper management of the district. (Acts 70th Leg., 2nd C.S., Ch.

1 11, Sec. 5.14.)

2 Source Law

3 Sec. 5.14. On behalf of the district, the board
4 may accept donations, gifts, and endowments to be held
5 in trust for any purpose and under any direction,
6 limitation, or provision prescribed in writing by the
7 donor that is consistent with the proper management of
8 the district.

9 Revisor's Note

10 Section 5.14, Chapter 11, Acts of the 70th
11 Legislature, 2nd Called Session, 1987, refers to
12 "donations" and "gifts." The revised law omits
13 "donations" because "donations" is included in the
14 meaning of "gifts."

15 Revised Law

16 Sec. 1089.111. 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 an expenditure of more than the amount prescribed 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 70th Leg., 2nd C.S., Ch. 11, Sec. 5.07(a).)

23 Source Law

24 Sec. 5.07. (a) The board may enter into
25 construction contracts on behalf of the district;
26 however, the board may enter into construction
27 contracts that involve spending more than \$10,000 only
28 after competitive bidding as provided by Chapter 770,
29 Acts of the 66th Legislature, Regular Session, 1979
30 (Article 2368a.3, Vernon's Texas Civil Statutes).

31 Revisor's Note

32 (1) Section 5.07(a), Chapter 11, Acts of the
33 70th Legislature, 2nd Called Session, 1987, provides
34 that the district may enter into construction
35 contracts that involve spending more than \$10,000 only
36 after competitive bidding as provided by Chapter 770,
37 Acts of the 66th Legislature, Regular Session, 1979
38 (Article 2368a.3, Vernon's Texas Civil Statutes).
39 Chapter 149, Acts of the 70th Legislature, Regular
40 Session, 1987, revised the relevant parts of Article

1 2368a.3 as Subchapter B, Chapter 271, Local Government
2 Code, and the revised law is drafted accordingly. The
3 revised law omits the reference to the \$10,000 amount
4 as superseded by Section 5, Chapter 115, Acts of the
5 77th Legislature, Regular Session, 2001, which amended
6 Section 271.024, Local Government Code, to increase
7 the contract amount for which competitive bidding is
8 required to \$25,000.

9 (2) Section 5.07(b), Chapter 11, Acts of the
10 70th Legislature, 2nd Called Session, 1987, provides
11 that Article 5160, Revised Statutes, applies to the
12 district's construction contracts in relation to
13 performance and payment bonds. The revised law omits
14 that reference because Article 5160 was codified in
15 1993 as Chapter 2253, Government Code, and that
16 chapter applies to hospital districts on its own
17 terms. The omitted law reads:

18 (b) Article 5160, Revised Statutes,
19 as it relates to performance and payment
20 bonds, applies to construction contracts
21 let by the district.

22 Revised Law

23 Sec. 1089.112. 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 70th Leg., 2nd C.S.,
26 Ch. 11, Sec. 5.08.)

27 Source Law

28 Sec. 5.08. The board may enter into operating or
29 management contracts relating to hospital facilities
30 on behalf of the district.

31 Revised Law

32 Sec. 1089.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
33 SERVICES. The board may contract with a political subdivision of
34 this state or with a state or federal agency for the district to:

- 35 (1) furnish a mobile emergency medical service; or
36 (2) provide for the investigatory or welfare needs of
37 district inhabitants. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec.

1 5.13.)

2 Source Law

3 Sec. 5.13. The board may contract with a city,
4 county, special district, or other political
5 subdivision of the state or with a state or federal
6 agency for the district to furnish a mobile emergency
7 medical service or to provide for the investigatory or
8 welfare needs of inhabitants of the district.

9 Revisor's Note

10 Section 5.13, Chapter 11, Acts of the 70th
11 Legislature, 2nd Called Session, 1987, refers to "a
12 city, county, special district, or other political
13 subdivision of the state." Throughout this chapter,
14 the revised law omits references to "city," "county,"
15 and "special district" in this context because those
16 terms are included in the meaning of "political
17 subdivision of the state."

18 Revised Law

19 Sec. 1089.114. PAYMENT FOR TREATMENT; PROCEDURES. (a) The
20 district administrator may have an inquiry made into the financial
21 circumstances of:

22 (1) a person who resides in the district and is
23 admitted as a patient to a district facility; and

24 (2) a relative of the patient who is legally
25 responsible for the patient's support.

26 (b) To the extent that the patient or a relative of the
27 patient who is legally responsible for the patient's support cannot
28 pay for care and treatment provided by the district, the district
29 shall supply the care and treatment without charging the patient or
30 the patient's relative.

31 (c) On determining that the patient or a relative legally
32 responsible for the patient's support can pay for all or part of the
33 care and treatment provided by the district, the district
34 administrator shall report that determination to the board and the
35 board shall issue an order directing the patient or the relative to
36 pay the district a specified amount each week. The amount must be
37 based on the individual's ability to pay.

1 (d) The district administrator may collect the money owed to
2 the district from the patient's estate or from that of a relative
3 legally responsible for the patient's support in the manner
4 provided by law for collection of expenses in the last illness of a
5 deceased person.

6 (e) If there is a dispute relating to a person's ability to
7 pay or if the district administrator has any doubt concerning a
8 person's ability to pay, the board shall:

9 (1) call witnesses;

10 (2) hear and resolve the question; and

11 (3) issue a final order.

12 (f) The final order of the board may be appealed to a
13 district court in Reeves County. The substantial evidence rule
14 applies to the appeal. (Acts 70th Leg., 2nd C.S., Ch. 11, Secs.
15 5.11(b), (c), (d), (e), (f).)

16 Source Law

17 (b) If an individual residing in the district is
18 admitted as a patient to a facility of the district,
19 the administrator may have an inquiry made as to the
20 patient's financial circumstances and as to financial
21 circumstances of a relative of the patient who is
22 legally responsible for the patient's support.

23 (c) On finding that the patient or a relative of
24 the patient legally responsible for the patient's
25 support can pay for all or any part of the care and
26 treatment provided by the district, the administrator
27 shall report that finding to the board, and the board
28 shall issue an order directing the patient or the
29 relative to pay the district a specified sum each week
30 based on the individual's ability to pay.

31 (d) The administrator may collect money owed to
32 the district from the estate of the patient or from
33 that of a relative who was legally responsible for the
34 patient's support in the manner provided by law for
35 collection of expenses in the last illness of a
36 deceased person.

37 (e) To the extent that a patient or a relative of
38 the patient legally responsible for the patient's
39 support cannot pay for care and treatment provided by
40 the district, the district shall supply that care and
41 treatment without charging the patient or the
42 patient's relative.

43 (f) If there is a dispute relating to an
44 individual's ability to pay or if the administrator has
45 any doubt concerning an individual's ability to pay,
46 the board shall call witnesses, hear and resolve the
47 question, and issue a final order. An appeal from a
48 final order of the board must be made to a district
49 court in the county in which the district is located
50 and the substantial evidence rule applies.

1 Revisor's Note

2 (1) Section 5.11(a), Chapter 11, Acts of the
3 70th Legislature, 2nd Called Session, 1987, requires
4 the district to adopt an application procedure for
5 assistance eligibility. The revised law omits the
6 provision because it duplicates provisions in Sections
7 61.053(a) and (b), Health and Safety Code, which apply
8 to the district and detail the application procedure.
9 The omitted law reads:

10 Sec. 5.11. (a) Not later than the
11 beginning of each operating year, the
12 district shall adopt an application
13 procedure to determine eligibility for
14 assistance, as provided by Section 10.03,
15 Indigent Health Care and Treatment Act
16 (Article 4438f, Vernon's Texas Civil
17 Statutes).

18 (2) Section 5.11(f), Chapter 11, Acts of the
19 70th Legislature, 2nd Called Session, 1987, authorizes
20 the appeal of a final order to be made to the district
21 court "in the county in which the district is located."
22 The revised law substitutes "Reeves County" for the
23 quoted language because Reeves County is the county in
24 which the district is located.

25 Revised Law

26 Sec. 1089.115. REIMBURSEMENT FOR SERVICES. (a) The board
27 shall require a county, municipality, or public hospital located
28 outside the district to reimburse the district for the district's
29 care and treatment of a sick or injured person of that county,
30 municipality, or public hospital as provided by Chapter 61, Health
31 and Safety Code.

32 (b) The board shall require the sheriff of Reeves County to
33 reimburse the district for the district's care and treatment of a
34 person who is confined in a jail facility of Reeves County and is
35 not a district resident.

36 (c) On behalf of the district, the board may contract with
37 the state or federal government for that government to reimburse
38 the district for treatment of a sick or injured person. (Acts 70th

1 Leg., 2nd C.S., Ch. 11, Sec. 5.12.)

2 Source Law

3 Sec. 5.12. (a) The board shall require
4 reimbursement from a county, city, or public hospital
5 located outside the boundaries of the district for the
6 district's care and treatment of a sick, diseased, or
7 injured person of that county or city as provided by
8 the Indigent Health Care and Treatment Act (Article
9 4438f, Vernon's Texas Civil Statutes).

10 (b) The board shall require reimbursement from
11 the sheriff of Reeves County for the district's care
12 and treatment of a person confined in a jail facility
13 of Reeves County who is not a resident of the district.

14 (c) On behalf of the district, the board may
15 contract with the state or federal government for the
16 state or federal government to reimburse the district
17 for treatment of a sick, diseased, or injured person.

18 Revisor's Note

19 (1) Section 5.12(a), Chapter 11, Acts of the
20 70th Legislature, 2nd Called Session, 1987, refers to
21 a "city." The revised law substitutes "municipality"
22 for "city" because in context the terms are
23 equivalent, and "municipality" is the term used in the
24 Local Government Code.

25 (2) Sections 5.12(a) and (c), Chapter 11, Acts
26 of the 70th Legislature, 2nd Called Session, 1987,
27 refer to a "sick, diseased, or injured person." The
28 revised law omits the references to "diseased" because
29 it is included in the meaning of "sick."

30 (3) Section 5.12(a), Chapter 11, Acts of the
31 70th Legislature, 2nd Called Session, 1987, refers to
32 the duty of the district to require reimbursement from
33 "a county, city, or public hospital" outside the
34 district for care provided by the district to a "person
35 of that county or city." The revised law refers to a
36 "person of that county, municipality, or public
37 hospital" for consistency with the other quoted
38 language in Section 5.12(a) and to reflect the clear
39 legislative intent of the section.

40 (4) Section 5.12(a), Chapter 11, Acts of the
41 70th Legislature, 2nd Called Session, 1987, refers to

1 the Indigent Health Care and Treatment Act (Article
2 4438f, Vernon's Texas Civil Statutes). That statute
3 was codified in 1989 as Chapter 61, Health and Safety
4 Code. The revised law is drafted accordingly.

5 Revised Law

6 Sec. 1089.116. AUTHORITY TO SUE AND BE SUED. The board may
7 sue and be sued on behalf of the district. (Acts 70th Leg., 2nd
8 C.S., Ch. 11, Sec. 5.15.)

9 Source Law

10 Sec. 5.15. The board may sue and be sued on
11 behalf of the district.

12 [Sections 1089.117-1089.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Revised Law

15 Sec. 1089.151. 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
28 available to cover the proposed budget; and

29 (7) the estimated tax rate required. (Acts 70th Leg.,
30 2nd C.S., Ch. 11, Sec. 6.04.)

31 Source Law

32 Sec. 6.04. (a) The administrator of the
33 district shall prepare a proposed annual budget for
34 the district.

35 (b) The proposed budget must contain a complete
36 financial statement, including a statement of:

37 (1) the outstanding obligations of the
38 district;

1 (2) the amount of cash on hand to the
2 credit of each fund of the district;
3 (3) the amount of money received by the
4 district from all sources during the previous year;
5 (4) the amount of money available to the
6 district from all sources during the ensuing year;
7 (5) the amount of the balances expected at
8 the end of the year in which the budget is being
9 prepared;
10 (6) the estimated amount of revenues and
11 balances available to cover the proposed budget; and
12 (7) the estimated tax rate that will be
13 required.

14 Revised Law

15 Sec. 1089.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
16 The board shall hold a public hearing on the proposed annual budget.

17 (b) The board shall publish notice of the hearing in a
18 newspaper with general circulation in the district not later than
19 the 10th day before the date of the hearing.

20 (c) Any district resident is entitled to be present and
21 participate at the hearing.

22 (d) At the conclusion of the hearing, the board shall adopt
23 a budget by acting on the budget proposed by the district
24 administrator. The board may make any changes in the proposed
25 budget that the board judges to be in the interests of the
26 taxpayers.

27 (e) The budget is effective only after adoption by the
28 board. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 6.05.)

29 Source Law

30 Sec. 6.05. (a) The board shall hold a public
31 hearing on the proposed annual budget.

32 (b) The board shall publish notice of the
33 hearing in a newspaper of general circulation in the
34 district not later than the 10th day before the date of
35 the hearing.

36 (c) Any resident of the district is entitled to
37 be present and participate at the hearing.

38 (d) At the conclusion of the hearing, the board
39 shall adopt a budget by acting on the budget proposed
40 by the administrator. The board may make any changes
41 in the proposed budget that in its judgment the
42 interests of the taxpayers demand.

43 (e) The budget is effective only after adoption
44 by the board.

45 Revised Law

46 Sec. 1089.153. AMENDMENT OF BUDGET. After the annual
47 budget is adopted, the budget may be amended on the board's
48 approval. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 6.06.)

1 Section 1089.160(b) and money transmitted to a bank for payment of
2 bonds or obligations issued or assumed by the district, shall be
3 deposited as received with the depository bank and must remain on
4 deposit. This subsection does not limit the power of the board to
5 place a part of district money on time deposit or to purchase
6 certificates of deposit.

7 (c) 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 70th Leg., 2nd C.S., Ch. 11,
13 Sec. 6.10.)

14 Source Law

15 Sec. 6.10. (a) The board shall name at least
16 one bank to serve as depository for district funds.

17 (b) District funds, other than those invested as
18 provided by Subsection (b) of Section 6.09 of this Act
19 and those transmitted to a bank of payment for bonds or
20 obligations issued or assumed by the district, shall
21 be deposited as received with the depository bank and
22 must remain on deposit. This subsection does not limit
23 the power of the board to place a portion of district
24 funds on time deposit or to purchase certificates of
25 deposit.

26 (c) Before the district deposits funds in a bank
27 in an amount that exceeds the maximum amount secured by
28 the Federal Deposit Insurance Corporation, the bank
29 must execute a bond or other security in an amount
30 sufficient to secure from loss the district funds that
31 exceed the amount secured by the Federal Deposit
32 Insurance Corporation.

33 Revised Law

34 Sec. 1089.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
35 Except as provided by Sections 1089.111, 1089.201, 1089.204, and
36 1089.205, the district may not incur a debt payable from district
37 revenue other than the revenue on hand or to be on hand in the
38 current and the immediately following district fiscal years.

39 (b) The board may invest operating, depreciation, or
40 building reserves only in funds or securities specified by Chapter
41 2256, Government Code. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec.
42 6.09.)

1 board may issue and sell bonds in the name and on the
2 faith and credit of the hospital district to:

3 (1) purchase, construct, acquire, repair,
4 or renovate buildings or improvements;

5 (2) equip buildings or improvements for
6 hospital purposes; or

7 (3) acquire and operate a mobile emergency
8 medical service.

9 Revisor's Note

10 Section 7.01, Chapter 11, Acts of the 70th
11 Legislature, 2nd Called Session, 1987, provides that
12 the board may issue and sell bonds in the name and on
13 the faith and credit of the district. The type of
14 bonds described by Section 7.01 are known as "general
15 obligation bonds," and the revised law is drafted
16 accordingly.

17 Revised Law

18 Sec. 1089.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
19 the time general obligation bonds are issued by the district under
20 Section 1089.201, 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 70th Leg., 2nd C.S., Ch. 11, Sec.
27 7.02.)

28 Source Law

29 Sec. 7.02. (a) At the time the bonds are issued
30 by the district, the board shall levy a tax.

31 (b) The tax must be sufficient to create an
32 interest and sinking fund to pay the principal of and
33 interest on the bonds as they mature.

34 (c) In any year, the tax together with any other
35 tax the district levies may not exceed the limit
36 approved by the voters at the election authorizing the
37 levy of taxes.

38 Revisor's Note

39 Section 7.02, Chapter 11, Acts of the 70th
40 Legislature, 2nd Called Session, 1987, requires the
41 district to levy a tax sufficient to pay the principal
42 of and interest on bonds. The revised law specifies

1 that the tax is an "ad valorem" tax because it is clear
2 from the source law that the tax is a property tax and
3 "ad valorem" is the term most commonly used to refer to
4 a property tax.

5 Revised Law

6 Sec. 1089.203. 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 70th Leg., 2nd C.S., Ch. 11, Sec. 7.03.)

21 Source Law

22 Sec. 7.03. (a) The district may not issue
23 general obligation bonds until the bonds are
24 authorized by a majority of the qualified voters of the
25 district voting at an election called and held for that
26 purpose.

27 (b) The board may order a bond election. The
28 order calling the election must state the nature and
29 date of the election, the hours during which the polls
30 will be open, the location of the polling places, the
31 amount of bonds to be authorized, and the maximum
32 maturity of the bonds.

33 (c) Notice of a bond election shall be given as
34 provided by Article 704, Revised Statutes.

35 (d) The board shall canvass the returns and
36 declare the results of the election.

37 Revisor's Note

38 (1) Section 7.03(a), Chapter 11, Acts of the
39 70th Legislature, 2nd Called Session, 1987, refers to
40 a majority of the "qualified" voters of the district.
41 The revised law omits "qualified" as unnecessary in

1 this context because Chapter 11, Election Code,
2 governs eligibility to vote in an election in this
3 state and allows only "qualified" voters who are
4 residents of the territory covered by the election to
5 vote in an election.

6 (2) Section 7.03(a), Chapter 11, Acts of the
7 70th Legislature, 2nd Called Session, 1987, refers to
8 an election "called and held." The revised law omits
9 references to "calling" an election because, in this
10 context, "calling" an election is included in the
11 meaning of "holding" an election. Under Chapter 3,
12 Election Code, all elections must be ordered (called)
13 before they may be held.

14 (3) Section 7.03(c), Chapter 11, Acts of the
15 70th Legislature, 2nd Called Session, 1987, refers to
16 Article 704, Revised Statutes, which specifies certain
17 notice requirements for a bond election. That
18 provision was codified in 1999 as Section 1251.003,
19 Government Code. The revised law is drafted
20 accordingly.

21 (4) Section 7.03(d), Chapter 11, Acts of the
22 70th Legislature, 2nd Called Session, 1987, provides
23 that "[t]he board shall canvass the returns" of a bond
24 election. The revised law omits that requirement
25 because it duplicates Section 67.002, Election Code,
26 which requires the governing body of a political
27 subdivision that orders an election to canvass the
28 returns.

29 Revised Law

30 Sec. 1089.204. REVENUE BONDS. (a) The board may issue
31 revenue bonds to:

32 (1) purchase, construct, acquire, repair, renovate,
33 or equip buildings or improvements for hospital purposes;

34 (2) acquire sites to be used for hospital purposes; or

1 (3) acquire and operate a mobile emergency medical
2 service to assist the district in carrying out its hospital
3 purposes.

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

7 (c) The bonds may be additionally secured by a mortgage or
8 deed of trust lien on all or part of district property.

9 (d) The bonds must be issued in the manner provided by
10 Sections 264.042, 264.043, and 264.046-264.049, Health and Safety
11 Code, for issuance of revenue bonds by a county hospital authority.
12 (Acts 70th Leg., 2nd C.S., Ch. 11, Sec. 7.04.)

13 Source Law

14 Sec. 7.04. (a) The board may issue revenue
15 bonds to:

16 (1) purchase, construct, acquire, repair,
17 equip, or renovate buildings or improvements for
18 hospital purposes;

19 (2) acquire sites to be used for hospital
20 purposes; or

21 (3) acquire and operate a mobile emergency
22 medical service to assist the district in carrying out
23 its hospital purposes.

24 (b) The bonds must be payable from and secured
25 by a pledge of all or part of the revenues derived from
26 the operation of the district's hospital system. The
27 bonds may be additionally secured by a mortgage or deed
28 of trust lien on all or part of district property.

29 (c) The bonds must be issued in the manner
30 provided by Sections 8, 10, 11, 12, and 13, County
31 Hospital Authority Act (Article 4494r, Vernon's Texas
32 Civil Statutes), for issuance of revenue bonds by
33 county hospital authorities.

34 Revisor's Note

35 Section 7.04(c), Chapter 11, Acts of the 70th
36 Legislature, 2nd Called Session, 1987, refers to
37 Sections 8, 10, 11, 12, and 13, County Hospital
38 Authority Act (Article 4494r, Vernon's Texas Civil
39 Statutes). Those provisions were codified in 1989 as
40 Sections 264.042, 264.043, and 264.046-264.049,
41 Health and Safety Code. The revised law is drafted
42 accordingly.

43 Revised Law

44 Sec. 1089.205. REFUNDING BONDS. (a) The board may issue

1 refunding bonds to refund an outstanding indebtedness issued or
2 assumed by the district.

3 (b) Refunding bonds may be:

4 (1) sold, with the proceeds of the refunding bonds
5 applied to the payment of the outstanding indebtedness; or

6 (2) exchanged wholly or partly for not less than a
7 similar principal amount of outstanding indebtedness. (Acts 70th
8 Leg., 2nd C.S., Ch. 11, Secs. 7.05(a), (c) (part).)

9 Source Law

10 Sec. 7.05. (a) Refunding bonds of the district
11 may be issued to refund and pay off an outstanding
12 indebtedness the district has issued or assumed.

13 (c) The refunding bonds may be sold and the
14 proceeds applied to the payment of outstanding
15 indebtedness or may be exchanged in whole or in part
16 for not less than a similar principal amount of
17 outstanding indebtedness. . . .

18 Revisor's Note

19 Sections 7.05(b) and (c), Chapter 11, Acts of the
20 70th Legislature, 2nd Called Session, 1987, require
21 the district to issue refunding bonds in the manner
22 prescribed by Article 717k-3, Vernon's Texas Civil
23 Statutes, and, for refunding bonds that will be sold,
24 to issue the bonds and to make payments on the bonds in
25 the manner prescribed by Article 717k, Vernon's Texas
26 Civil Statutes. Articles 717k and 717k-3 were
27 codified in 1999 as Chapter 1207, Government Code. The
28 revised law omits the provisions because Chapter 1207,
29 Government Code, applies to the district by its own
30 terms under Section 1207.001, Government Code. The
31 omitted law reads:

32 (b) The bonds must be issued in the
33 manner provided by Chapter 784, Acts of the
34 61st Legislature, Regular Session, 1969
35 (Article 717k-3, Vernon's Texas Civil
36 Statutes).

37 (c) . . . If the refunding bonds are
38 to be sold and the proceeds applied to the
39 payment of outstanding indebtedness, the
40 refunding bonds must be issued and payments
41 made in the manner provided by Chapter 503,
42 Acts of the 54th Legislature, Regular
43 Session, 1955 (Article 717k, Vernon's Texas

1 Civil Statutes).

2 Revised Law

3 Sec. 1089.206. MATURITY OF BONDS. District bonds must
4 mature not later than 50 years after the date of issuance. (Acts
5 70th Leg., 2nd C.S., Ch. 11, Sec. 7.06 (part).)

6 Source Law

7 Sec. 7.06. District bonds must mature not more
8 than 50 years after the date of their issuance and
9

10 Revisor's Note

11 Section 7.06, Chapter 11, Acts of the 70th
12 Legislature, 2nd Called Session, 1987, provides that
13 district bonds must bear interest at a rate not to
14 exceed that provided by Chapter 3, Acts of the 61st
15 Legislature, Regular Session, 1969 (Article 717k-2,
16 Vernon's Texas Civil Statutes). The revised law omits
17 that provision because the maximum interest rate noted
18 in Chapter 3 was revised in 1999 as Section 1204.006,
19 Government Code, and Section 1204.006 applies to the
20 district by its own terms by application of Section
21 1204.001, Government Code. The omitted law reads:

22 Sec. 7.06. [District bonds] . . .
23 must bear interest at a rate not to exceed
24 that provided by Chapter 3, Acts of the 61st
25 Legislature, Regular Session, 1969 (Article
26 717k-2, Vernon's Texas Civil Statutes).

27 Revised Law

28 Sec. 1089.207. EXECUTION OF BONDS. (a) The board president
29 shall execute district bonds in the district's name.

30 (b) The board secretary shall countersign the bonds in the
31 manner provided by Chapter 618, Government Code. (Acts 70th Leg.,
32 2nd C.S., Ch. 11, Sec. 7.07.)

33 Source Law

34 Sec. 7.07. The president of the board shall
35 execute the bonds in the name of the district, and the
36 secretary of the board shall countersign the bonds in
37 the manner provided by the Texas Uniform Facsimile
38 Signature of Public Officials Act (Article 717j-1,
39 Vernon's Texas Civil Statutes).

1 Revisor's Note

2 Section 7.07, Chapter 11, Acts of the 70th
3 Legislature, 2nd Called Session, 1987, refers to the
4 Texas Uniform Facsimile Signature of Public Officials
5 Act (Article 717j-1, Vernon's Texas Civil Statutes).
6 That statute was codified in 1999 as Chapter 618,
7 Government Code. The revised law is drafted
8 accordingly.

9 Revised Law

10 Sec. 1089.208. 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) any transaction relating to the bonds; and
15 (3) profits made in the sale of the bonds. (Acts 70th
16 Leg., 2nd C.S., Ch. 11, Sec. 7.11 (part).)

17 Source Law

18 Sec. 7.11. . . . bonds issued by the district,
19 any transaction relating to the bonds, and profits
20 made in the sale of the bonds are free from taxation by
21 the state or by any city, county, special district, or
22 other political subdivision of the state.

23 Revisor's Note
24 (End of Subchapter)

25 (1) Section 7.08, Chapter 11, Acts of the 70th
26 Legislature, 2nd Called Session, 1987, provides that
27 district bonds are subject to the law governing county
28 bonds that relates to bond approval by the attorney
29 general and registration of the bonds by the
30 comptroller. Section 7.08 also provides that after
31 approval and registration the bonds are "incontestable
32 for any cause." The revised law omits those provisions
33 because they duplicate, in substance, provisions in
34 Chapter 1202, Government Code. Section 1202.003(a),
35 Government Code, requires that bonds be submitted to
36 the attorney general. Section 1202.003(b), Government
37 Code, provides for approval of the bonds by the

1 attorney general and requires the attorney general to
2 submit the approved bonds to the comptroller for
3 registration. Section 1202.005, Government Code,
4 requires registration of the bonds by the comptroller.
5 Section 1202.006, Government Code, provides that after
6 approval and registration the bonds are incontestable
7 and binding obligations. Chapter 1202, Government
8 Code, applies to district bonds by application of
9 Section 1202.001, Government Code. The omitted law
10 reads:

11 Sec. 7.08. (a) District bonds are
12 subject to the same requirements with
13 regard to approval by the attorney general
14 and registration by the comptroller of
15 public accounts as the law provides for
16 approval and registration of bonds issued
17 by counties.

18 (b) On approval by the attorney
19 general and registration by the comptroller
20 of public accounts, the bonds are
21 incontestable for any cause.

22 (2) Section 7.09, Chapter 11, Acts of the 70th
23 Legislature, 2nd Called Session, 1987, provides that
24 district bonds and indebtedness are legal and
25 authorized investments for certain entities. The
26 revised law omits that provision as unnecessary. As to
27 some of the entities listed, Section 7.09 has been
28 superseded and impliedly repealed or it duplicates
29 existing law. Investments in securities by banks are
30 regulated by Section 34.101, Finance Code (enacted in
31 1995 as Section 5.101, Texas Banking Act (Article
32 342-5.101, Vernon's Texas Civil Statutes)).
33 Investments in securities by savings banks are
34 regulated by Section 93.001(c)(10), Finance Code
35 (enacted in 1993 as Section 7.15(10), Texas Savings
36 Bank Act (Article 489e, Vernon's Texas Civil
37 Statutes)). Investments in securities by trust
38 companies are regulated by Section 184.101, Finance
39 Code (enacted in 1997 as Section 5.101, Texas Trust

1 Company Act (Article 342a-5.101, Vernon's Texas Civil
2 Statutes)). Investments in securities by savings and
3 loan associations are regulated by Sections 63.002 and
4 64.001, Finance Code. As to the remaining entities
5 listed, Section 7.09 duplicates Section 1201.041,
6 Government Code (enacted as Section 9, Bond Procedures
7 Act of 1981 (Article 717k-6, Vernon's Texas Civil
8 Statutes)). Section 1201.041, Government Code,
9 applies to district bonds by application of Section
10 1201.002, Government Code. While Section 7.09 lists
11 "guardians" and Section 1201.041 does not, the latter
12 statute includes "fiduciaries" and a guardian is a
13 fiduciary. The revised law omits the reference to
14 public funds of this state because it is superseded by
15 a 1995 amendment to Section 404.024(b), Government
16 Code, which governs the investment of state funds by
17 the comptroller of public accounts. The amendment
18 added Subsection (b)(10) to Section 404.024 and
19 authorizes the investment of state funds in
20 obligations of political subdivisions, including
21 hospital districts. The omitted law reads:

22 Sec. 7.09. District bonds and
23 indebtedness assumed by the district are
24 legal and authorized investments for:
25 (1) banks;
26 (2) savings banks;
27 (3) trust companies;
28 (4) savings and loan associations;
29 (5) insurance companies;
30 (6) fiduciaries;
31 (7) trustees;
32 (8) guardians; and
33 (9) sinking funds of cities,
34 counties, school districts, and other
35 political subdivisions of the state and
36 other public funds of the state and its
37 agencies, including the permanent school
38 fund.

39 (3) Section 7.10, Chapter 11, Acts of the 70th
40 Legislature, 2nd Called Session, 1987, provides that
41 district bonds may secure deposits of public funds of
42 the state or political subdivisions of the state. The

1 revised law omits the provision relating to deposits
2 of state funds by the comptroller as impliedly
3 repealed by Section 404.0221, Government Code (enacted
4 in 1995), which lists eligible collateral for deposits
5 of state funds by the comptroller. As to deposits of
6 other funds, the provision duplicates Chapter 2257,
7 Government Code, which governs eligible collateral for
8 deposits of funds of other public agencies, including
9 political subdivisions, and permits those deposits to
10 be secured by obligations issued by hospital
11 districts. The omitted law reads:

12 Sec. 7.10. District bonds are
13 eligible to secure deposits of public funds
14 of the state and of cities, counties, school
15 districts, and other political subdivisions
16 of the state. The bonds are lawful and
17 sufficient security for deposits to the
18 extent of their value if accompanied by all
19 unmatured coupons.

20 [Sections 1089.209-1089.250 reserved for expansion]

21 SUBCHAPTER F. TAXES

22 Revised Law

23 Sec. 1089.251. 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;

28 and

29 (2) the maintenance and operating expenses of the
30 district.

31 (c) The district may not impose a tax to pay the principal of
32 or interest on revenue bonds issued under this chapter. (Acts 70th
33 Leg., 2nd C.S., Ch. 11, Secs. 8.01(a) (part), (c), (d), 8.02(b).)

34 Source Law

35 Sec. 8.01. (a) The board may annually levy
36 taxes

37 (c) The taxes may be used to pay:

38 (1) the indebtedness issued or assumed by
39 the district; and

40 (2) the maintenance and operating expenses

1 of the district.

2 (d) The district may not levy taxes to pay the
3 principal of or interest on revenue bonds issued under
4 this Act.

5 [Sec. 8.02]

6 (b) The board shall levy taxes on all property
7 in the district subject to hospital district taxation.

8 Revised Law

9 Sec. 1089.252. TAX RATE. (a) The board may impose the tax
10 at a rate not to exceed the limit approved by the voters at the
11 election authorizing the imposition of the tax.

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

14 (c) In setting the tax rate, the board shall consider the
15 income of the district from sources other than taxation. (Acts 70th
16 Leg., 2nd C.S., Ch. 11, Secs. 8.01(a) (part), (b), 8.03 (part).)

17 Source Law

18 Sec. 8.01. (a) [The board may annually levy
19 taxes] in an amount not to exceed the limit approved by
20 the voters at the election authorizing the levy of
21 taxes.

22 (b) The tax rate for all purposes may not exceed
23 75 cents on each \$100 valuation of all taxable property
24 in the district.

25 Sec. 8.03. In setting the tax rate, the board
26 shall take into consideration the income of the
27 district from sources other than taxation. . . .

28 Revisor's Note

29 Section 8.03, Chapter 11, Acts of the 70th
30 Legislature, 2nd Called Session, 1987, requires the
31 board to levy the tax and to certify the tax rate to the
32 tax assessor-collector. The revised law omits that
33 provision because Section 26.05(a), Tax Code, requires
34 the governing body of a taxing unit to adopt a tax rate
35 for the current tax year and to notify the tax assessor
36 of that rate. The omitted law reads:

37 Sec. 8.03. . . . On determination of
38 the amount of tax required to be levied, the
39 board shall make the levy and certify it to
40 the tax assessor-collector.

41 Revised Law

42 Sec. 1089.253. CONTRACT FOR TAX ASSESSMENT AND COLLECTION.
43 The board shall contract for the assessment and collection of taxes

1 as provided by the Tax Code. (Acts 70th Leg., 2nd C.S., Ch. 11, Sec.
2 8.04(b).)

3 Source Law

4 (b) The board shall contract for the assessment
5 and collection of taxes as provided by the Tax Code.

6 Revisor's Note

7 Section 8.04(a), Chapter 11, Acts of the 70th
8 Legislature, 2nd Called Session, 1987, provides that
9 the Tax Code governs the appraisal, assessment, and
10 collection of district taxes. The revised law omits
11 that provision because Section 1.02, Tax Code,
12 requires all taxing units of government to administer
13 the assessment and collection of an ad valorem tax in
14 conformity with Title 1, Tax Code. The omitted law
15 reads:

16 Sec. 8.04. (a) The Tax Code governs
17 the appraisal, assessment, and collection
18 of district taxes.

19 Revisor's Note
20 (End of Subchapter)

21 Section 8.02(a), Chapter 11, Acts of the 70th
22 Legislature, 2nd Called Session, 1987, provides that
23 the district may levy taxes for the entire year in
24 which the district is created. The revised law omits
25 that provision as executed. The omitted law reads:

26 Sec. 8.02. (a) The board may levy
27 taxes for the entire year in which the
28 district is created.

29 Revisor's Note
30 (End of Chapter)

31 Sections 5.01(a) and 5.02(2), Chapter 11, Acts of
32 the 70th Legislature, 2nd Called Session, 1987,
33 authorize the transfer of certain land, buildings,
34 improvements, equipment, taxes, and funds to the
35 district after the district is created and provide for
36 the assumption of debt by the district on creation.
37 The revised law omits the provisions as executed. The
38 omitted law reads:

1 Sec. 5.01. (a) On creation of the
2 district, Reeves County shall convey or
3 transfer to the district:
4 (1) title to land, buildings,
5 improvements, and equipment related to the
6 hospital system owned by Reeves County;
7 (2) operating funds and
8 reserves for operating expenses and funds
9 that have been budgeted by Reeves County to
10 provide medical care for residents of the
11 district for the remainder of the fiscal
12 year in which the district is established;
13 (3) taxes levied by Reeves
14 County for hospital purposes for the
15 current year; and
16 (4) funds established for
17 payment of indebtedness assumed by the
18 district.

19 Sec. 5.02. [On creation of the
20 district, the district:]
21 . . .
22 (2) assumes any outstanding
23 indebtedness insured by Reeves County in
24 providing hospital care for residents of
25 the territory of the district before the
26 district's creation; and
27 . . .

28 CHAPTER 1090. REFUGIO COUNTY

29 MEMORIAL HOSPITAL DISTRICT

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5 CHAPTER 1090. REFUGIO COUNTY

6 MEMORIAL HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 1090.001. 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 Refugio County Memorial
14 Hospital District. (New.)

15 Revisor's Note

16 The definitions of "board," "director," and
17 "district" are added to the revised law for drafting
18 convenience and to eliminate frequent, unnecessary
19 repetition of the substance of the definitions.

20 Revised Law

21 Sec. 1090.002. AUTHORITY FOR OPERATION. The Refugio County
22 Memorial Hospital District operates and is administered and
23 financed in accordance with Section 9, Article IX, Texas
24 Constitution, and has the rights, powers, and duties provided by
25 this chapter. (Acts 65th Leg., R.S., Ch. 6, Sec. 1 (part).)

26 Source Law

27 Sec. 1. In accordance with the provisions of
28 Article IX, Section 9 of the Texas Constitution, this
29 Act authorizes the creation, establishment,
30 administration, maintenance, operation, and financing
31 of a hospital district within this state . . . to be
32 known as "Refugio County Memorial Hospital District"
33 with such rights, powers, and duties as provided in
34 this Act.

35 Revisor's Note

36 Section 1, Chapter 6, Acts of the 65th
37 Legislature, Regular Session, 1977, authorizes the
38 "creation, establishment, administration,

1 maintenance, operation, and financing" of the
2 district. The revised law omits "creation" and
3 "establishment" as executed. The revised law omits
4 "maintenance" because, in this context, the meaning of
5 that term is included in the meaning of "operation."

6 Revised Law

7 Sec. 1090.003. ESSENTIAL PUBLIC FUNCTION. The district
8 performs an essential public function in carrying out the purposes
9 of this chapter. (Acts 65th Leg., R.S., Ch. 6, Sec. 22 (part).)

10 Source Law

11 Sec. 22. In carrying out the purposes of this
12 Act, the district will be performing an essential
13 public function and

14 Revised Law

15 Sec. 1090.004. DISTRICT TERRITORY. The boundaries of the
16 district are coextensive with the boundaries of Refugio County.
17 (Acts 65th Leg., R.S., Ch. 6, Sec. 1 (part).)

18 Source Law

19 Sec. 1. . . . with boundaries coextensive with
20 the boundaries of Refugio County,

21 Revised Law

22 Sec. 1090.005. 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 65th Leg., R.S., Ch. 6, Sec. 23 (part).)

27 Source Law

28 Sec. 23. . . . [federal or state constitution]
29 Where any procedure hereunder may be held by
30 any court to be violative of either of the
31 constitutions, the district shall have the power by
32 resolution to provide an alternative procedure
33 conformable with the constitutions. . . .

34 Revisor's Note

35 Section 23, Chapter 6, Acts of the 65th
36 Legislature, Regular Session, 1977, provides that the
37 act does not violate the federal or state constitution
38 and requires that action under the act comply with the

1 constitutions. The revised law omits the reference to
2 the federal constitution because, under the Supremacy
3 Clause of the United States Constitution (Clause 2,
4 Article VI), federal law always takes precedence over
5 a state statute. The revised law also omits the
6 reference to the Texas Constitution because the state
7 cannot modify constitutional requirements by statute.

8 The omitted law reads:

9 Sec. 23. Nothing in this Act shall be
10 construed to violate any provision of the
11 federal or state constitution, and all acts
12 done under this Act shall be in such manner
13 as will conform thereto, whether expressly
14 provided or not. . . .

15 Revised Law

16 Sec. 1090.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
17 OBLIGATION. The support and maintenance of the district may not
18 become a charge against or obligation of this state. (Acts 65th
19 Leg., R.S., Ch. 6, Sec. 21 (part).)

20 Source Law

21 Sec. 21. The support and maintenance of the
22 hospital district shall never become a charge against
23 or obligation of the State of Texas,

24 Revised Law

25 Sec. 1090.007. 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.
28 (Acts 65th Leg., R.S., Ch. 6, Sec. 21 (part).)

29 Source Law

30 Sec. 21. . . . nor shall any direct
31 appropriation be made by the legislature for the
32 construction, maintenance, or improvement of any of
33 the facilities of the district.

34 Revisor's Note
35 (End of Subchapter)

36 (1) Section 2, Chapter 6, Acts of the 65th
37 Legislature, Regular Session, 1977, states that the
38 district shall take over and receive title to all
39 property pertaining to the hospitals or hospital
40 systems owned by Refugio County or by certain entities

1 located in the district. The revised law omits this
2 provision as executed. The omitted law reads:

3 Sec. 2. The district herein
4 authorized to be created shall take over and
5 there shall be transferred to it title to
6 all land, buildings, improvements, and
7 equipment pertaining to the hospitals or
8 hospital systems owned by the county or any
9 city, town, or nonprofit hospital within
10 the boundaries of the proposed
11 district. . . .

12 (2) Sections 3 and 9, Chapter 6, Acts of the 65th
13 Legislature, Regular Session, 1977, provide
14 procedures for holding an election on the creation of
15 the district and the imposition of an ad valorem tax.
16 Because the creation of the hospital district and the
17 imposition of the tax were approved at the election,
18 the revised law omits the relevant law as executed.
19 The omitted law reads:

20 Sec. 3. (a) The district shall not
21 be created, nor shall facilities be
22 acquired from the county or any city, town,
23 or nonprofit hospital in the district, nor
24 shall any tax therein be authorized unless
25 and until the creation, acquisition of
26 facilities, and tax are approved by vote of
27 a majority of the electors of the area of
28 the proposed district voting at an election
29 called for that purpose. The election may
30 be called by a majority of the temporary
31 directors or shall be called by the
32 temporary directors on presentation of a
33 petition therefor signed by at least 50
34 electors of the area of the proposed
35 district. The election shall be held not
36 less than 35 nor more than 60 days from the
37 date the election is ordered. The order
38 calling the election shall specify the
39 date, place or places of holding the
40 election, the form of ballot, and the
41 presiding judge and alternate judge for
42 each voting place and shall provide for
43 clerks as in county elections. Notice of
44 election shall be given by publishing a
45 substantial copy of the election order in a
46 newspaper of general circulation in the
47 county once a week for two consecutive
48 weeks, the first publication to appear at
49 least 30 days prior to the date established
50 for the election. The failure of the
51 election shall not operate to prohibit the
52 calling and holding of subsequent elections
53 for the same purpose; provided no district
54 confirmation election may be held within 12
55 months of any preceding election for the
56 same purpose. If the district is not
57 confirmed at an election held within 60

1 months from the effective date of this Act,
2 this Act is repealed.

3 (b) At the election there shall be
4 submitted to the electors of the area of the
5 proposed district the proposition of
6 whether the hospital district shall be
7 created with authority to have transferred
8 to it existing hospital facilities of the
9 county and any city, town, or nonprofit
10 hospital and levy annual taxes . . . for the
11 purpose of meeting the requirements of the
12 district's bonds and its maintenance and
13 operating expenses, and a majority of the
14 electors of the area of the proposed
15 district voting at the election in favor of
16 the proposition shall be sufficient for its
17 adoption.

18 (c) The form of ballot used at the
19 election on the creation of the district
20 shall be in conformity with Section 61,
21 Texas Election Code, as amended (Article
22 6.05, Vernon's Texas Election Code), so that
23 ballots may be cast "FOR" or "AGAINST" the
24 following proposition: "The creation of
25 Refugio County Memorial Hospital District,
26 providing for the levy of a tax not to
27 exceed 75 cents on each \$100 valuation, on
28 all taxable property situated within the
29 hospital district, subject to hospital
30 district taxation and providing for the
31 transfer of existing hospital facilities of
32 the county and any city, town, or nonprofit
33 hospital."

34 (d) Within 10 days after such
35 election is held, the temporary directors
36 of the district shall convene and canvass
37 the returns of the election and, in the
38 event such election results favorably to
39 the proposition specified in Subsection (c)
40 of this section, the board shall so find and
41 declare the hospital district established
42 and created.

43 Sec. 9. A petition for an election to
44 create the hospital district, as provided
45 in Section 3, may incorporate a request that
46 a separate proposition be submitted at such
47 election as to whether the board of
48 directors of the district, in the event same
49 is created, shall be authorized to issue
50 bonds for the purposes specified in Section
51 8. Such petition shall specify the maximum
52 amount of bonds to be issued, their maximum
53 maturity, and the same shall be included in
54 the proposition submitted at the election.
55 The temporary board, on its own motion, may
56 submit a proposition on whether bonds will
57 be issued for the purposes specified in
58 Section 8 irrespective of whether a
59 petition so requests and irrespective of
60 whether a petition is presented.

61 [Sections 1090.008-1090.050 reserved for expansion]

62 SUBCHAPTER B. DISTRICT ADMINISTRATION

63 Revised Law

64 Sec. 1090.051. BOARD ELECTION; TERM. (a) The board

1 consists of seven directors elected from the district at large by
2 place.

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 65th Leg., R.S., Ch. 6, Sec. 4(c) (part).)

6 Source Law

7 (c) The board of directors consists of seven
8 members who are elected as provided in this
9 section. . . . Directors shall be elected at large by
10 places, and shall serve for staggered, two-year
11 terms. . . .

12 Revisor's Note

13 (1) Sections 4(a) and (b), Chapter 6, Acts of
14 the 65th Legislature, Regular Session, 1977, prescribe
15 the procedure for the appointment and the terms of
16 service of the temporary directors on the effective
17 date of the act. Throughout this chapter, the revised
18 law omits references to "temporary" directors as
19 executed. The omitted law reads:

20 Sec. 4. (a) On the effective date of
21 this Act, the Commissioners Court of
22 Refugio County shall appoint seven persons
23 to serve as temporary directors. Each
24 temporary director shall subscribe the
25 constitutional oath of office within 90
26 days after the effective date of this Act.

27 (b) Temporary directors shall serve
28 for a period of two years or until the
29 creation of the district is confirmed at an
30 election, whichever date shall first occur.
31 Any vacancy in the office of temporary
32 director, whether by reason of failure to
33 qualify or the occurring of a vacancy prior
34 to the confirmation of the district at the
35 election provided, shall be filled by
36 appointment made by the county judge of
37 Refugio County.

38 (2) Section 4(c), Chapter 6, Acts of the 65th
39 Legislature, Regular Session, 1977, provides for
40 directors' elections to be held on the "first Saturday
41 in April of each year." The revised law omits that
42 provision as impliedly repealed by a 1986 amendment to
43 Section 41.001, Election Code. Chapter 14, Acts of the
44 69th Legislature, 3rd Called Session, 1986, amended
45 Section 41.001, Election Code, to prescribe certain

1 uniform election dates. Section 37 of that act
2 required a political subdivision that had held its
3 general election of officers on the first Saturday in
4 April to hold that election on a uniform election date
5 in May or to choose a different uniform election date
6 on which to hold the election. The omitted law reads:

7 (c) . . . The board of directors
8 shall hold an election of directors on the
9 first Saturday in April of each year. . . .

10 (3) Section 4(c), Chapter 6, Acts of the 65th
11 Legislature, Regular Session, 1977, provides that
12 directors serve two-year terms. Section 285.081,
13 Health and Safety Code, applicable to this hospital
14 district, provides a mechanism by which the governing
15 board of a hospital district, on its own motion, may
16 order that the directors are to be elected in
17 even-numbered years to serve staggered four-year
18 terms. The revised law is drafted accordingly and adds
19 a reference to Section 285.081 for the convenience of
20 the reader.

21 (4) Section 4(c), Chapter 6, Acts of the 65th
22 Legislature, Regular Session, 1977, requires each
23 director to take the constitutional oath of office.
24 The revised law omits that provision because Section
25 1, Article XVI, Texas Constitution, requires all
26 officers to take the oath (or affirmation) before
27 assuming office. The omitted law reads:

28 (c) . . . Each director shall take
29 the constitutional oath of office. . . .

30 (5) Section 6, Chapter 614, Acts of the 67th
31 Legislature, Regular Session, 1981, provides
32 transition procedures for the election and terms of
33 directors to change how directors are elected from a
34 combination of commissioners precinct elections and
35 at-large elections to at-large elections only. The
36 revised law omits that provision as executed. The

1 omitted law reads:

2 Sec. 6. On the first Saturday in
3 April, 1982, seven directors shall be
4 elected to the board. The terms of the
5 directors who are incumbent on the date of
6 the 1982 election of directors expire when
7 their successors are elected and have
8 qualified. Those directors elected to fill
9 places one through four at the 1982 election
10 of directors shall serve for two-year
11 terms, and those directors elected to fill
12 places five through seven at the 1982
13 election of directors shall serve for
14 one-year terms.

15 Revised Law

16 Sec. 1090.052. NOTICE OF ELECTION. At least 10 days before
17 the date of an election of directors, notice of the election shall
18 be published one time in a newspaper of general circulation in
19 Refugio County. (Acts 65th Leg., R.S., Ch. 6, Sec. 4(c) (part).)

20 Source Law

21 (c) . . . Notice of an election of directors
22 shall be published in a newspaper of general
23 circulation in the county one time at least 10 days
24 prior to the date of the election. . . .

25 Revisor's Note

26 Section 4(c), Chapter 6, Acts of the 65th
27 Legislature, Regular Session, 1977, requires notice of
28 a directors' election to be published in "the county."
29 The revised law substitutes "Refugio County" for "the
30 county" because Refugio County is the county in which
31 the district is located.

32 Revised Law

33 Sec. 1090.053. QUALIFICATIONS FOR OFFICE. (a) A person may
34 not be elected or appointed as a director unless the person is:

- 35 (1) a resident of the district;
36 (2) a qualified voter; and
37 (3) a freeholder.

38 (b) A person is not eligible to serve as a director if the
39 person is:

- 40 (1) the district administrator; or
41 (2) a district employee. (Acts 65th Leg., R.S., Ch. 6,
42 Sec. 4(d).)

1 Source Law

2 (e) . . . All members of the board of directors
3 and officers shall serve without compensation, except
4 that they may be reimbursed for actual expenses
5 incurred in the performance of their official duties
6 on the approval of such expenses by the board of
7 directors and so reported in the minute book of the
8 district or other records of the district. . . .

9 Revisor's Note

10 Section 4(e), Chapter 6, Acts of the 65th
11 Legislature, Regular Session, 1977, requires that
12 approved expenses be reported in the "minute book of
13 the district or other records of the district." The
14 revised law omits the reference to the "minute book of
15 the district" because the minute book is a district
16 record.

17 Revised Law

18 Sec. 1090.057. VOTING REQUIREMENT. A concurrence of four
19 directors is sufficient in any matter relating to district
20 business. (Acts 65th Leg., R.S., Ch. 6, Sec. 4(e) (part).)

21 Source Law

22 (e) . . . [members of the board of directors]
23 . . . a concurrence of four is sufficient in all
24 matters pertaining to the business of the
25 district. . . .

26 Revisor's Note

27 Section 4(e), Chapter 6, Acts of the 65th
28 Legislature, Regular Session, 1977, provides that four
29 directors constitute a quorum. The revised law omits
30 that provision because it duplicates Section 311.013,
31 Government Code (Code Construction Act), which
32 provides that a quorum of a public body is a majority
33 of the number of members fixed by statute. The omitted
34 law reads:

35 (e) . . . Any four members of the
36 board of directors shall constitute a
37 quorum and

38 Revised Law

39 Sec. 1090.058. INSURANCE FOR DIRECTORS AND OFFICERS.
40 Directors and officers may be included in the same insurance plan

1 provided to district employees. (Acts 65th Leg., R.S., Ch. 6, Sec.
2 4(e) (part).)

3 Source Law

4 (e) . . . The directors and officers may be
5 included in the same insurance plan provided employees
6 of the district.

7 Revised Law

8 Sec. 1090.059. 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 65th Leg., R.S., Ch. 6, Sec. 5 (part).)

22 Source Law

23 Sec. 5. . . . The board of directors shall
24 appoint a qualified person to be known as the
25 administrator or manager of the hospital district and
26 may in its discretion appoint an assistant to the
27 administrator or manager. The administrator or
28 manager and assistant administrator or manager, if
29 any, shall serve at the will of the board and are
30 entitled to compensation as may be fixed by the board.
31 The administrator or manager shall, on assuming his
32 duties, execute a bond payable to the hospital
33 district in an amount set by the board of directors, in
34 no event less than \$5,000, conditioned that he shall
35 perform the duties required of him, and containing
36 such other conditions as the board may require. . . .

37 Revisor's Note

38 Section 5, Chapter 6, Acts of the 65th
39 Legislature, Regular Session, 1977, provides that the
40 board shall appoint a person as the "administrator or
41 manager" of the district and may appoint an "assistant
42 administrator or manager." Throughout this chapter,

1 the revised law omits "manager" because, in context,
2 "manager" is included in the meaning of
3 "administrator" and "administrator" is the term used
4 by the district.

5 Revised Law

6 Sec. 1090.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

7 Subject to the limitations prescribed by the board, the district
8 administrator shall:

9 (1) supervise the work and activities of the district;
10 and

11 (2) direct the affairs of the district. (Acts 65th
12 Leg., R.S., Ch. 6, Sec. 5 (part).)

13 Source Law

14 Sec. 5. . . . The administrator or manager
15 shall supervise all the work and activities of the
16 district and shall have general direction of the
17 affairs of the district, subject to the limitations as
18 may be prescribed by the board. . . .

19 Revised Law

20 Sec. 1090.061. APPOINTMENT AND RECRUITMENT OF STAFF AND

21 EMPLOYEES. (a) The board may appoint to the medical staff any
22 physicians the board considers necessary and may make temporary
23 appointments as warranted.

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
28 nurses.

29 (d) The board may spend district money to recruit to the
30 hospital staff any physicians that are required to meet the medical
31 needs of district residents. (Acts 65th Leg., R.S., Ch. 6, Secs. 5
32 (part), 11(b) (part), 17.)

33 Source Law

34 Sec. 5. . . . The board of directors shall have
35 the authority to make appointments of physicians to
36 the medical staff of the district as it deems necessary
37 and may provide for temporary appointments to the
38 staff if warranted. The board may delegate to the
39 administrator or manager the authority to employ

1 technicians, nurses, and employees of the
2 district. . . .

3 [Sec. 11]

4 (b) The board of directors may spend
5 district funds to recruit physicians to the hospital
6 staff that are required to meet the medical needs of
7 district residents. . . .

8 Sec. 17. The district may employ fiscal agents,
9 accountants, architects, and attorneys as the board
10 may consider proper.

11 Revised Law

12 Sec. 1090.062. HEALTH EDUCATION. The board may use
13 district money to provide scholarships and student loans for the
14 education of county residents in health care-related fields. (Acts
15 65th Leg., R.S., Ch. 6, Sec. 11(b) (part).)

16 Source Law

17 (b) The board may also use district funds
18 to provide scholarships and student loans for the
19 education of county residents in health care related
20 fields. . . .

21 Revised Law

22 Sec. 1090.063. 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
28 System; or

29 (B) another statewide retirement system in which
30 the district is eligible to participate. (Acts 65th Leg., R.S., Ch.
31 6, Sec. 6.)

32 Source Law

33 Sec. 6. The board of directors may provide
34 retirement benefits for employees of the hospital
35 district. The board may provide the benefits by
36 establishing or administering a retirement program or
37 by electing to participate in the Texas County and
38 District Retirement System or in any other statewide
39 retirement system in which the district is eligible to
40 participate.

41 Revisor's Note

42 (End of Subchapter)

43 Section 4(c), Chapter 6, Acts of the 65th
44 Legislature, Regular Session, 1977, states that a

1 person must file a ballot application with the board
2 secretary to be a candidate for director and
3 prescribes a deadline for filing the application. The
4 revised law omits the requirement to file the
5 application with the board secretary because it
6 duplicates Sections 144.003 and 144.004, Election
7 Code. The revised law omits the filing deadline
8 because it is superseded by Section 144.005, Election
9 Code. Section 1.002, Election Code, provides that the
10 Election Code applies to all elections held in this
11 state. The omitted law reads:

12 (c) . . . Any person desiring his
13 name to be printed on the ballot as a
14 candidate for director shall file an
15 application with the secretary of the board
16 requesting that his name be printed on the
17 ballot. The application must be filed at
18 least 31 days before the date of the
19 election. . . .

20 [Sections 1090.064-1090.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Revised Law

23 Sec. 1090.101. DISTRICT RESPONSIBILITY. The district has
24 full responsibility for operating all hospital facilities for
25 providing medical and hospital care for the district's needy
26 inhabitants. (Acts 65th Leg., R.S., Ch. 6, Sec. 20(a) (part).)

27 Source Law

28 (a) . . . The hospital district shall assume
29 full responsibility for the operation of all hospital
30 facilities for the furnishing of medical and hospital
31 care for its needy inhabitants. . . .

32 Revisor's Note

33 Section 20(a), Chapter 6, Acts of the 65th
34 Legislature, Regular Session, 1977, provides that the
35 district "shall assume" full responsibility for
36 operating hospital facilities for providing medical
37 and hospital care for the district's needy
38 inhabitants. The revised law substitutes "has" for
39 "shall assume" because the duty to assume the

1 responsibility is executed.

2 Revised Law

3 Sec. 1090.102. RESTRICTION ON POLITICAL SUBDIVISION
4 TAXATION AND DEBT. Refugio County or any municipality or nonprofit
5 hospital in the district may not impose a tax or issue bonds or
6 other obligations for hospital purposes or to provide medical care.
7 (Acts 65th Leg., R.S., Ch. 6, Sec. 20(a) (part).)

8 Source Law

9 Sec. 20. (a) After creation of the hospital
10 district and after the county or any city, town, or
11 nonprofit hospital transfers to the district its
12 existing hospital facilities, the county, city, town,
13 or nonprofit hospital shall have no power to levy taxes
14 or issue bonds or other obligations for hospital
15 purposes or for providing medical care. . . . [the
16 county and any city, town, or nonprofit hospital] in
17 the district [shall transfer to the district all land,
18 buildings, improvements, and equipment]

19 Revisor's Note

20 (1) Section 20(a), Chapter 6, Acts of the 65th
21 Legislature, Regular Session, 1977, provides that
22 "[a]fter creation of the hospital district and after
23 the county or any city, town, or nonprofit hospital
24 transfers to the district its existing hospital
25 facilities," the political subdivisions or nonprofit
26 hospital may not levy taxes or issue bonds. The
27 revised law omits the quoted language as executed. In
28 addition, throughout this chapter, the revised law
29 substitutes "impose" for "levy" because, in this
30 context, the terms are synonymous and the former is
31 more commonly used.

32 (2) Section 20(a), Chapter 6, Acts of the 65th
33 Legislature, Regular Session, 1977, refers to a "city,
34 [or] town." The revised law substitutes
35 "municipality" for the quoted language because the
36 meaning of "municipality" includes both cities and
37 towns and because that is the term used in the Local
38 Government Code.

1 Revised Law

2 Sec. 1090.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
3 The board shall manage, control, and administer the hospital system
4 and the district's money and resources. (Acts 65th Leg., R.S., Ch.
5 6, Sec. 5 (part).)

6 Source Law

7 Sec. 5. The board of directors shall manage,
8 control, and administer the hospital system and all
9 funds and resources of the district. . . .

10 Revised Law

11 Sec. 1090.104. HOSPITAL SYSTEM. (a) The district shall
12 provide for the establishment and administration for hospital
13 purposes of a hospital system by:

14 (1) purchasing, constructing, acquiring by gift or
15 otherwise, repairing, or renovating buildings and equipment; and

16 (2) equipping the buildings.

17 (b) The hospital system may include:

18 (1) facilities for domiciliary care and treatment of
19 the sick, injured, or geriatric;

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) research centers or laboratories; and

28 (10) any other facilities the board considers
29 necessary for hospital care. (Acts 65th Leg., R.S., Ch. 6, Secs. 2
30 (part), 11(a) (part).)

31 Source Law

32 Sec. 2. . . . The district shall provide for
33 the establishment and administration for hospital
34 purposes of a hospital system by purchase, gift,
35 construction, acquisition, repair, or renovation of
36 buildings and equipment and equipping same.

37 Sec. 11. (a) . . . The hospital system may
38 include facilities for domiciliary care and treatment

1 of the sick, wounded, and injured, outpatient clinic
2 or clinics, dispensaries, geriatric domiciliary care
3 and treatment, convalescent home facilities,
4 necessary nurses, domiciliaries and training centers,
5 blood banks, community mental health centers and
6 research centers or laboratories, and any other
7 facilities deemed necessary for hospital care by the
8 directors. . . .

9 Revisor's Note

10 Section 11(a), Chapter 6, Acts of the 65th
11 Legislature, Regular Session, 1977, refers to the care
12 and treatment of the "sick, wounded, and injured." The
13 revised law omits the reference to "wounded" because
14 the meaning of "wounded" is included in the meaning of
15 "injured."

16 Revised Law

17 Sec. 1090.105. RULES. The board may adopt rules governing
18 the operation of the hospital, the hospital system, and the
19 district's staff and employees. (Acts 65th Leg., R.S., Ch. 6, Sec.
20 5 (part).)

21 Source Law

22 Sec. 5. . . . The district, through its board
23 of directors, shall have the power and authority . . .
24 to promulgate rules and regulations governing the
25 operation of the hospital, the hospital system, its
26 staff, and its employees. . . .

27 Revisor's Note

28 Section 5, Chapter 6, Acts of the 65th
29 Legislature, Regular Session, 1977, provides that the
30 board may "promulgate rules and regulations" to govern
31 the district. The revised law substitutes "adopt" for
32 "promulgate" because the terms are synonymous and the
33 former is more commonly used. The revised law omits
34 "regulations" because under Section 311.005(5),
35 Government Code (Code Construction Act), a rule is
36 defined to include a regulation.

37 Revised Law

38 Sec. 1090.106. PURCHASING AND ACCOUNTING PROCEDURES. The
39 board may prescribe:

- 40 (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 65th
3 Leg., R.S., Ch. 6, Sec. 11(b) (part).)

4 Source Law

5 (b) The board of directors of the district shall
6 have the power to prescribe the method and manner of
7 making purchases and expenditures by and for the
8 hospital district and shall also be authorized to
9 prescribe all accounting and control procedures. . . .

10 Revised Law

11 Sec. 1090.107. DISTRICT PROPERTY, FACILITIES, AND
12 EQUIPMENT. (a) The board shall determine the type, number, and
13 location of buildings required to maintain an adequate hospital
14 system.

15 (b) The board may lease all or part of the district's
16 buildings and other facilities on terms considered to be in the best
17 interest of the district's inhabitants. The term of the lease may
18 not exceed 25 years.

19 (c) The district may acquire equipment for use in the
20 district's hospital system and mortgage or pledge the property as
21 security for the payment of the purchase price. A contract entered
22 into under this subsection must provide that the entire obligation
23 be retired not later than the fifth anniversary of the date of the
24 contract.

25 (d) The district may sell or otherwise dispose of any
26 property, including equipment, on terms the board finds are in the
27 best interest of the district's inhabitants. (Acts 65th Leg.,
28 R.S., Ch. 6, Secs. 11(a) (part), (b) (part).)

29 Source Law

30 Sec. 11. (a) The board of directors is hereby
31 given complete discretion as to the type of buildings,
32 both as to number and location, required to establish
33 and maintain an adequate hospital system. . . . The
34 district, through its board of directors, . . . may
35 lease all or part of its buildings and facilities on
36 terms and conditions considered to be to the best
37 interest of its inhabitants, provided that in no event
38 shall any lease be for a period in excess of 25 years
39 from the date entered. The district shall be empowered
40 to sell or otherwise dispose of any property, real or
41 personal, or equipment of any nature on terms and
42 conditions found by the board to be in the best
43 interest of its inhabitants.

1 (b) . . . The district may acquire equipment
2 for use in its hospital system and mortgage or pledge
3 the property so acquired as security for the payment of
4 the purchase price, but any such contract shall
5 provide for the entire obligation of the district to be
6 retired within five years from the date of the
7 contract. . . .

8 Revisor's Note

9 (1) Section 11(a), Chapter 6, Acts of the 65th
10 Legislature, Regular Session, 1977, requires the board
11 to determine the buildings required to "establish and
12 maintain" an adequate hospital system. The revised
13 law omits the reference to establishing the hospital
14 system as executed.

15 (2) Section 11(a), Chapter 6, Acts of the 65th
16 Legislature, Regular Session, 1977, refers to "terms
17 and conditions." The revised law omits the reference
18 to "conditions" because "conditions" is included in
19 the meaning of "terms."

20 (3) Section 11(a), Chapter 6, Acts of the 65th
21 Legislature, Regular Session, 1977, refers to "any
22 property, real or personal." The revised law omits the
23 reference to "real or personal" property because under
24 Section 311.005, Government Code (Code Construction
25 Act), "property" means "real and personal property."

26 Revised Law

27 Sec. 1090.108. EMINENT DOMAIN. (a) The district may
28 exercise the power of eminent domain to acquire a fee simple or
29 other interest in any type of property located in district
30 territory if the interest is necessary or convenient for the
31 district to exercise a power, right, or privilege conferred by this
32 chapter.

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

37 (c) In a condemnation proceeding brought by the district,
38 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 petition for review. (Acts 65th Leg., R.S., Ch. 6,
7 Sec. 15(a).)

8 Source Law

9 Sec. 15. (a) The district shall have the right
10 and power of eminent domain for the purpose of
11 acquiring by condemnation any and all property of any
12 kind and character in fee simple, or any lesser
13 interest therein, within the boundaries of the
14 district necessary or convenient to the powers,
15 rights, and privileges conferred by this Act, in the
16 manner provided by the general law with respect to
17 condemnation by counties, provided that the district
18 shall not be required to make deposits in the registry
19 of the trial court of the sum required by Paragraph 2
20 of Article 3268, Revised Civil Statutes of Texas,
21 1925, as amended, or to make bond as therein provided.
22 In condemnation proceedings being prosecuted by the
23 district, the district shall not be required to pay in
24 advance or give bond or other security for costs in the
25 trial court, nor to give any bond otherwise required
26 for the issuance of a temporary restraining order or a
27 temporary injunction nor to give bond for costs or for
28 supersedeas on any appeal or writ of error.

29 Revisor's Note

30 (1) Section 15(a), Chapter 6, Acts of the 65th
31 Legislature, Regular Session, 1977, provides that the
32 district has the "right and power of eminent domain for
33 the purpose of acquiring [property] by condemnation."
34 The revised law substitutes for the quoted language
35 "may exercise the power of eminent domain to acquire
36 [property]" because the phrases have the same meaning,
37 and the latter phrase is consistent with modern usage
38 in laws relating to eminent domain.

39 (2) Section 15(a), Chapter 6, Acts of the 65th
40 Legislature, Regular Session, 1977, provides that the
41 district must exercise the power of eminent domain in
42 the manner provided by "the general law with respect to
43 condemnation by counties." The revised law
44 substitutes for the quoted language a reference to

1 Chapter 21, Property Code, because that is the general
2 law governing eminent domain for governmental
3 entities, including counties.

4 (3) Section 15(a), Chapter 6, Acts of the 65th
5 Legislature, Regular Session, 1977, refers to
6 "Paragraph 2 of Article 3268, Revised Civil Statutes
7 of Texas, 1925, as amended." That statute was codified
8 in 1983 as Section 21.021(a), Property Code, and the
9 revised law is drafted accordingly. In addition,
10 throughout this chapter, the revised law omits the
11 references to "as amended" because under Section
12 311.027, Government Code (Code Construction Act), a
13 reference to a statute applies to all reenactments,
14 revisions, or amendments of that statute unless
15 expressly provided otherwise.

16 (4) Section 15(a), Chapter 6, Acts of the 65th
17 Legislature, Regular Session, 1977, refers to a "writ
18 of error." The revised law substitutes "petition for
19 review" for "writ of error" because, effective
20 September 1, 1997, the Texas Supreme Court replaced
21 the writ of error procedure with the petition for
22 review procedure. See Rule 53.1, Rules of Appellate
23 Procedure.

24 Revised Law

25 Sec. 1090.109. COST OF RELOCATING OR ALTERING PROPERTY. In
26 exercising the power of eminent domain, if the board requires
27 relocating, raising, lowering, rerouting, changing the grade, or
28 altering the construction of any railroad, electric transmission,
29 telegraph or telephone line, conduit, pole, or facility, or
30 pipeline, the board must bear the actual cost of relocating,
31 raising, lowering, rerouting, changing the grade, or altering the
32 construction to provide comparable replacement without enhancement
33 of facilities, after deducting the net salvage value derived from
34 the old facility. (Acts 65th Leg., R.S., Ch. 6, Sec. 15(b).)

1 Source Law

2 (b) If the board requires the relocation,
3 raising, lowering, rerouting, or change in grade or
4 alteration in the construction of any railroad,
5 electric transmission, telegraph or telephone lines,
6 conduits, poles, or facilities, or pipelines in the
7 exercise of the power of eminent domain, all of the
8 relocation, raising, lowering, rerouting, or changes
9 in grade or alteration of construction due to the
10 exercise of the power of eminent domain shall be the
11 sole expense of the board. The term "sole expense"
12 means the actual cost of relocation, raising,
13 lowering, rerouting, or change in grade or alteration
14 of construction to provide comparable replacement
15 without enhancement of facilities, after deducting the
16 net salvage value derived from the old facility.

17 Revised Law

18 Sec. 1090.110. GIFTS AND ENDOWMENTS. The board may accept
19 for the district a gift or endowment to be held in trust and
20 administered by the board for the purposes and under the
21 directions, limitations, or other provisions prescribed in writing
22 by the donor that are not inconsistent with the proper management
23 and objectives of the district. (Acts 65th Leg., R.S., Ch. 6, Sec.
24 19.)

25 Source Law

26 Sec. 19. The board of directors of the hospital
27 district is authorized on behalf of the district to
28 accept donations, gifts, and endowments to be held in
29 trust and administered by the board of directors for
30 such purposes and under such directions, limitations,
31 and provisions as may be prescribed in writing by the
32 donor not inconsistent with proper management and
33 object of the hospital district.

34 Revisor's Note

35 Section 19, Chapter 6, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to
37 "donations" and "gifts." The revised law omits the
38 reference to "donations" because "donations" is
39 included in the meaning of "gifts."

40 Revised Law

41 Sec. 1090.111. CONSTRUCTION CONTRACTS. A construction
42 contract that involves the expenditure of more than \$10,000 may be
43 made only after advertising in the manner provided by Chapter 252
44 and Subchapter C, Chapter 262, Local Government Code. (Acts 65th
45 Leg., R.S., Ch. 6, Sec. 11(b) (part).)

1 Revised Law

2 Sec. 1090.112. OPERATING AND MANAGEMENT CONTRACTS. The
3 board may enter into an operating or management contract relating
4 to a district facility. (Acts 65th Leg., R.S., Ch. 6, Sec. 11(a)
5 (part).)

6 Source Law

7 (a) . . . The district, through its board of
8 directors, is further authorized to enter into an
9 operating or management contract with regard to its
10 facilities or a part thereof, or

11 Revised Law

12 Sec. 1090.113. 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 to
15 reimburse the district for the care and treatment of a sick or
16 injured person of that county or municipality.

17 (b) The board may contract with this state or a federal
18 agency for reimbursement for the treatment of a sick or injured
19 person. (Acts 65th Leg., R.S., Ch. 6, Sec. 5 (part).)

20 Source Law

21 Sec. 5. . . . The board . . . shall be
22 authorized to contract with any county or incorporated
23 municipality located outside its boundaries for
24 reimbursement for the care and treatment of the sick,
25 diseased, or injured persons of any such county or
26 municipality and shall have the authority to contract
27 with the State of Texas or agencies of the federal
28 government for the reimbursement for treatment of
29 sick, diseased, or injured persons.

30 Revisor's Note

31 (1) Section 5, Chapter 6, Acts of the 65th
32 Legislature, Regular Session, 1977, refers to an
33 "incorporated" municipality. The revised law omits
34 the reference to "incorporated" because under the
35 Local Government Code all municipalities must be
36 incorporated.

37 (2) Section 5, Chapter 6, Acts of the 65th
38 Legislature, Regular Session, 1977, refers to the
39 treatment of "sick, diseased, or injured persons."
40 The revised law omits the reference to "diseased"

1 because "diseased" is included in the meaning of
2 "sick."

3 Revised Law

4 Sec. 1090.114. 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 for the medical, hospital,
8 or welfare needs of district inhabitants. (Acts 65th Leg., R.S.,
9 Ch. 6, Sec. 5 (part).)

10 Source Law

11 Sec. 5. . . . The board shall be authorized to
12 contract with any other political subdivision or
13 governmental agency whereby the district will provide
14 investigatory or other services as to the medical,
15 hospital, or welfare needs of the inhabitants of the
16 district and

17 Revised Law

18 Sec. 1090.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
19 When a patient who resides in the district is admitted to a district
20 facility, the district administrator may have an inquiry made into
21 the circumstances of:

22 (1) the patient; and

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

25 (b) If the district administrator determines that the
26 patient or those relatives cannot pay all or part of the costs of
27 the care and treatment in the hospital, the amount of the costs that
28 cannot be paid becomes a charge against the district.

29 (c) If the district administrator determines that the
30 patient or those relatives can pay for all or part of the costs of
31 the patient's care and treatment, the patient or those relatives
32 shall be ordered to pay the district a specified amount each week
33 for the patient's care and support. The amount ordered must be
34 proportionate to the person's financial ability.

35 (d) The district administrator may collect the amount from
36 the patient's estate, or from any relative who is legally liable for
37 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 any appropriate orders.

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 65th Leg., R.S., Ch. 6, Sec. 18.)

10 Source Law

11 Sec. 18. Whenever a patient residing within the
12 district has been admitted to the facilities thereof,
13 the administrator or manager may cause inquiry to be
14 made as to his circumstances and those of the relatives
15 of the patient legally liable for his support. If he
16 finds that the patient or his relatives are able to pay
17 for his care and treatment in whole or in part, an
18 order shall be made directing the patient or his
19 relatives to pay to the hospital district for the care
20 and support of such patient a specified sum per week in
21 proportion to their financial ability. The
22 administrator or manager shall have the power and
23 authority to collect such sums from the estate of the
24 patient or his relatives legally liable for his
25 support in the manner provided by law for collection of
26 expenses in the last illness of a deceased person. If
27 the administrator or manager finds that the patient or
28 his relatives are not able to pay either in whole or in
29 part for his care and treatment in the hospital, same
30 shall become a charge on the hospital district as to
31 the amount of the inability to pay. Should there be
32 any dispute as to the ability to pay or doubt in the
33 mind of the administrator or manager, the board of
34 directors shall hear and determine same after calling
35 witnesses and shall make such order or orders as may be
36 proper. Appeals from a final order of the board shall
37 lie to the district court. The substantial evidence
38 rule shall apply.

39 Revised Law

40 Sec. 1090.116. AUTHORITY TO SUE AND BE SUED. The district,
41 through the board, may sue and be sued. (Acts 65th Leg., R.S., Ch.
42 6, Sec. 5 (part).)

43 Source Law

44 Sec. 5. . . . The district, through its board
45 of directors, shall have the power and authority to sue
46 and be sued,

47 [Sections 1090.117-1090.150 reserved for expansion]

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Revised Law

3 Sec. 1090.151. BUDGET. (a) The district administrator
4 shall prepare an annual budget for approval by the board.

5 (b) The proposed budget must contain a complete financial
6 statement of:

7 (1) the outstanding obligations of the district;

8 (2) the cash on hand in each district fund;

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

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

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

15 (6) the estimated revenue and balances available to
16 cover the proposed budget; and

17 (7) the estimated tax rate required. (Acts 65th Leg.,
18 R.S., Ch. 6, Sec. 7 (part).)

19 Source Law

20 Sec. 7. . . . The administrator or manager
21 shall prepare an annual budget for approval by the
22 board of directors. The budget shall also contain a
23 complete financial statement of the district showing
24 all outstanding obligations of the district, the cash
25 on hand to the credit of each and every fund of the
26 district, the funds received from all sources during
27 the previous year, the funds available from all
28 sources during the ensuing year, with balances
29 expected at year end of the year in which the budget is
30 being prepared, and estimated revenues and balances
31 available to cover the proposed budget and the
32 estimated tax rate which will be required. . . .

33 Revised Law

34 Sec. 1090.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
35 The board shall hold a public hearing on the proposed annual budget.

36 (b) Notice of the hearing must be published one time at
37 least 10 days before the date of the hearing.

38 (c) Any district resident is entitled to be present and
39 participate at the hearing.

40 (d) At the conclusion of the hearing, the board shall adopt

1 a budget by acting on the budget proposed by the district
2 administrator. The board may make any changes in the proposed
3 budget that the board judges to be in the interests of the taxpayers
4 and that the law warrants. (Acts 65th Leg., R.S., Ch. 6, Sec. 7
5 (part).)

6 Source Law

7 Sec. 7. . . . A public hearing on the annual
8 budget shall be held by the board of directors after
9 notice of such hearing has been published one time at
10 least 10 days before the date set therefor. Any person
11 residing in the district shall have the right to be
12 present and participate in the hearing. At the
13 conclusion of the hearing, the budget, as proposed by
14 the administrator, shall be acted on by the board of
15 directors. The board of directors shall have
16 authority to make such changes in the budget as in
17 their judgment the law warrants and the interest of the
18 taxpayers demands. . . . the annual budget, and . . .
19 shall be approved by the board of directors. . . .

20 Revised Law

21 Sec. 1090.153. AMENDMENTS TO BUDGET. The budget may be
22 amended as required by circumstances. The board must approve all
23 amendments. (Acts 65th Leg., R.S., Ch. 6, Sec. 7 (part).)

24 Source Law

25 Sec. 7. . . . The annual budget may be amended
26 from time to time as the circumstances may require, but
27 . . . all amendments thereto, shall be approved by the
28 board of directors. . . .

29 Revisor's Note

30 Section 7, Chapter 6, Acts of the 65th
31 Legislature, Regular Session, 1977, states that the
32 board may amend the budget "from time to time."
33 Throughout this chapter, the revised law omits the
34 quoted language because the authority to take an
35 action implies the authority to do so at any time.

36 Revised Law

37 Sec. 1090.154. RESTRICTION ON EXPENDITURES. Money may be
38 spent only for an expense included in the budget or an amendment to
39 the budget. (Acts 65th Leg., R.S., Ch. 6, Sec. 7 (part).)

40 Source Law

41 Sec. 7. . . . No expenditure may be made for
42 any expense not included in the annual budget or an
43 amendment thereto. . . .

1 Revised Law

2 Sec. 1090.155. FISCAL YEAR. (a) The district operates
3 according to a 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 65th
8 Leg., R.S., Ch. 6, Sec. 7 (part).)

9 Source Law

10 Sec. 7. The district shall be operated on the
11 basis of a fiscal year as established from time to time
12 by the board of directors, provided such fiscal year
13 may not be changed during the time revenue bonds of the
14 district are outstanding or more than once in any
15 24-month period. . . .

16 Revised Law

17 Sec. 1090.156. AUDIT. The board shall have an audit made of
18 the district's financial condition. (Acts 65th Leg., R.S., Ch. 6,
19 Sec. 7 (part).)

20 Source Law

21 Sec. 7. . . . The board shall cause an audit to
22 be made of the financial condition of the district,
23

24 Revised Law

25 Sec. 1090.157. INSPECTION OF AUDIT AND DISTRICT RECORDS.
26 The audit and other district records shall be open to inspection at
27 the district's principal office. (Acts 65th Leg., R.S., Ch. 6, Sec.
28 7 (part).)

29 Source Law

30 Sec. 7. . . . [The board shall cause] an audit
31 [to be made of the financial condition of the
32 district,] which together with other records of the
33 district shall be open to inspection at the principal
34 office of the district. . . .

35 Revised Law

36 Sec. 1090.158. FINANCIAL REPORT. As soon as practicable
37 after the close of each fiscal year, the district administrator
38 shall prepare for the board:

39 (1) a complete sworn statement of all district money;
40 and

1 (2) a complete account of the disbursements of that
2 money. (Acts 65th Leg., R.S., Ch. 6, Sec. 7 (part).)

3 Source Law

4 Sec. 7. . . . As soon as practicable after the
5 close of each fiscal year, the administrator or
6 manager shall prepare for the board a full sworn
7 statement of all money belonging to the district and a
8 full account of the disbursements of same.

9 Revised Law

10 Sec. 1090.159. DEPOSITORY. (a) The board shall select one
11 or more financial institutions to serve as a depository for
12 district money.

13 (b) District money, other than money transmitted to a bank
14 for payment of bonds or obligations issued by the district, shall be
15 deposited as received with the depository bank and shall remain on
16 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.

20 (d) The district may not deposit money with a bank in an
21 amount that exceeds the maximum amount secured by the Federal
22 Deposit Insurance Corporation unless the bank first executes a bond
23 or other security in an amount sufficient to secure from loss the
24 district money that exceeds the amount secured by the Federal
25 Deposit Insurance Corporation. (Acts 65th Leg., R.S., Ch. 6, Sec.
26 12.)

27 Source Law

28 Sec. 12. (a) The board of directors of the
29 district shall name one or more financial institutions
30 to serve as depository for the funds of the district.
31 All funds of the district, except those invested as
32 provided in Section 5 and those transmitted to a bank
33 or banks of payment for bonds or obligations issued by
34 the district, shall be deposited as received with the
35 depository bank and shall remain on deposit, provided
36 that nothing herein shall limit the power of the board
37 to place a portion of such funds on time deposit or
38 purchase certificates of deposit.

39 (b) Before the district deposits in any bank
40 funds of the district in an amount which exceeds the
41 maximum amount secured by the Federal Deposit
42 Insurance Corporation, the bank shall be required to
43 execute a bond or other security in an amount
44 sufficient to secure from loss the district funds
45 which exceed the amount secured by the Federal Deposit

1 Insurance Corporation.

2 Revisor's Note

3 Section 12(a), Chapter 6, Acts of the 65th
4 Legislature, Regular Session, 1977, provides for
5 transmitting district funds, "except those invested as
6 provided in Section 5." The revised law omits the
7 quoted language because Section 5 does not provide for
8 the investment of district money.

9 Revised Law

10 Sec. 1090.160. SPENDING RESTRICTIONS. Except as otherwise
11 provided by Section 1090.107(c) and by Subchapter E, the district
12 may not incur an obligation payable from district revenue other
13 than the revenue on hand or to be on hand in the current and
14 following district fiscal years. (Acts 65th Leg., R.S., Ch. 6, Sec.
15 11(b) (part).)

16 Source Law

17 (b) . . . Except as permitted in the preceding
18 sentence and as permitted by Sections 8, 9, and 10, the
19 district may incur no obligation payable from any
20 revenues of the district, tax or otherwise, except
21 those on hand or to be on hand within the then current
22 and following fiscal year of the district.

23 Revisor's Note

24 Section 11(b), Chapter 6, Acts of the 65th
25 Legislature, Regular Session, 1977, states that
26 "[e]xcept as permitted in the preceding sentence and
27 as permitted by Sections 8, 9, and 10," the district
28 may not incur certain obligations. The "preceding
29 sentence" in Section 11(b) is codified in Section
30 1090.107(c). As explained in Revisor's Note (2) at the
31 end of Subchapter A, Section 9 is omitted from the
32 revised law as executed. Sections 8 and 10 are
33 codified in Subchapter E. The revised law is drafted
34 accordingly.

35 Revised Law

36 Sec. 1090.161. AUTHORITY TO BORROW MONEY; SECURITY. (a)
37 The board may borrow money at a rate of not more than 10 percent a

1 year on district notes to pay the obligations if the board declares
2 that money is not available to meet authorized district
3 obligations, which creates an emergency.

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

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

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

10 (3) district bonds that have been authorized but not
11 sold.

12 (c) A loan for which taxes or bonds are pledged must mature
13 not later than the first anniversary of the date the loan is made. A
14 loan for which district revenue is pledged must mature not later
15 than the fifth anniversary of the date the loan is made.

16 (d) Money obtained from a loan under this section may be
17 spent only for:

18 (1) a purpose for which the board declared an
19 emergency; and

20 (2) the purposes for which the taxes were imposed or
21 the bonds were authorized, if district taxes or bonds are pledged to
22 pay the loan. (Acts 65th Leg., R.S., Ch. 6, Sec. 10A.)

23 Source Law

24 Sec. 10A. (a) The board may declare that funds
25 are not available to meet lawfully authorized
26 obligations of the district, thereby creating an
27 emergency, and may borrow money at a rate of not more
28 than 10 percent a year on notes of the district to pay
29 the obligations.

30 (b) To secure a loan, the board may pledge
31 revenues of the district that are not pledged to pay
32 any bonded indebtedness of the district, taxes of the
33 district to be levied by the district in the succeeding
34 12-month period that are not pledged to pay principal
35 of or interest on bonds of the district, or bonds of
36 the district that have been authorized but not sold.

37 (c) If taxes or bonds are pledged to pay the
38 loan, the loan shall mature not later than 12 months
39 from the date the loan is made.

40 (d) If revenues of the district are pledged for
41 payment of the loan, the loan shall mature not more
42 than five years after the date the loan is made.

43 (e) No money obtained from a loan under this
44 section may be spent for any purpose other than the
45 purpose for which the board declared an emergency and,

1 if taxes or bonds are pledged to pay the loan, for any
2 purposes other than the purposes for which the pledged
3 taxes were levied or the pledged bonds were
4 authorized.

5 [Sections 1090.162-1090.200 reserved for expansion]

6 SUBCHAPTER E. BONDS

7 Revised Law

8 Sec. 1090.201. GENERAL OBLIGATION BONDS. The board may
9 issue and sell general obligation bonds in the name and on the faith
10 and credit of the district for any purpose relating to:

11 (1) the purchase, construction, acquisition, repair,
12 or renovation of buildings or improvements; and

13 (2) equipping buildings or improvements for hospital
14 purposes. (Acts 65th Leg., R.S., Ch. 6, Sec. 8(a) (part).)

15 Source Law

16 Sec. 8. (a) The board of directors shall have
17 the power and authority to issue and sell its bonds in
18 the name and on the faith and credit of such hospital
19 district for the purchase, construction, acquisition,
20 repair, or renovation of buildings and improvements
21 and equipping the same for hospital purposes, and for
22 any or all such purposes. . . .

23 Revisor's Note

24 Section 8(a), Chapter 6, Acts of the 65th
25 Legislature, Regular Session, 1977, provides that the
26 board has the power and authority to issue and sell
27 bonds in the name and on the faith and credit of the
28 district. Because the type of bonds described by
29 Section 8(a) are known as "general obligation bonds,"
30 the revised law is drafted accordingly.

31 Revised Law

32 Sec. 1090.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
33 the time general obligation bonds are issued by the district under
34 Section 1090.201, the board shall impose an ad valorem tax at a rate
35 sufficient to create an interest and sinking fund to pay the
36 principal of and interest on the bonds as the bonds mature.

37 (b) The tax required by this section together with any other
38 ad valorem tax the district imposes may not in any year exceed 75
39 cents on each \$100 valuation of all taxable property in the

1 district. (Acts 65th Leg., R.S., Ch. 6, Sec. 8(a) (part).)

2 Source Law

3 (a) . . . At the time of the issuance of any
4 bonds by the district a tax shall be levied by the
5 board sufficient to create an interest and sinking
6 fund to pay the interest on and principal of said bonds
7 as same mature, providing the tax together with any
8 other taxes levied for the district shall not exceed 75
9 cents on each \$100 valuation of all taxable property
10 situated in the district subject to hospital district
11 taxation in any one year. . . .

12 Revisor's Note

13 Section 8(a), Chapter 6, Acts of the 65th
14 Legislature, Regular Session, 1977, requires the
15 district to levy a tax to pay the principal of and
16 interest on bonds. The revised law specifies that the
17 tax is an "ad valorem" tax because it is clear from the
18 source law that the tax is a property tax and "ad
19 valorem" is the term most commonly used to refer to a
20 property tax.

21 Revised Law

22 Sec. 1090.203. 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.

25 (b) The order calling the election shall provide for clerks
26 as in county elections and must specify:

- 27 (1) the date of the election;
- 28 (2) the location of the polling places;
- 29 (3) the presiding and alternate election judges for
30 each polling place;
- 31 (4) the amount of the bonds to be authorized; and
- 32 (5) the maximum maturity of the bonds.

33 (c) Notice of a bond election shall be given as provided by
34 Section 1251.003, Government Code. (Acts 65th Leg., R.S., Ch. 6,
35 Sec. 8(a) (part).)

36 Source Law

37 (a) . . . No bonds shall be issued by such
38 hospital district . . . until authorized by a majority
39 of the electors of the district. The order for bond
40 election shall specify the date of the election, the

1 amount of bonds to be authorized, the maximum maturity
2 thereof, the place or places where the election shall
3 be held, the presiding judge and alternate judge for
4 each voting place, and provide for clerks as in county
5 elections. Notice of any bond election . . . shall be
6 given as provided in Article 704, Revised Civil
7 Statutes of Texas, 1925, as amended, and shall be
8 conducted in accordance with the Texas Election Code,
9 as amended, except as modified by the provisions of
10 this Act.

11 Revisor's Note

12 (1) Section 8(a), Chapter 6, Acts of the 65th
13 Legislature, Regular Session, 1977, provides that
14 notice of a bond election under Section 9 must be given
15 as provided under Section 3. As explained in Revisor's
16 Note (2) to the end of Subchapter A, Sections 3 and 9,
17 Chapter 6, are executed. The revised law therefore
18 omits the provision. The omitted law reads:

19 (a) . . . [Notice of any bond
20 election] except one held under the
21 provisions of Section 9, in which instance
22 notice shall be given as provided in Section
23 3,

24 (2) Section 8(a), Chapter 6, Acts of the 65th
25 Legislature, Regular Session, 1977, refers to Article
26 704, Revised Statutes, which specifies certain notice
27 requirements for a bond election. That provision was
28 codified in 1999 as Section 1251.003, Government Code.
29 The revised law is drafted accordingly.

30 (3) Section 8(a), Chapter 6, Acts of the 65th
31 Legislature, Regular Session, 1977, provides that an
32 election under Section 8 "shall be conducted in
33 accordance with the Texas Election Code, as amended,
34 except as modified by the provisions of this Act." The
35 revised law omits the quoted language because Section
36 1.002, Election Code, provides that the Election Code
37 applies to all elections held in this state. An
38 exception to the application of the Election Code
39 would apply by its own terms.

40 Revised Law

41 Sec. 1090.204. MATURITY OF GENERAL OBLIGATION BONDS.

1 District general obligation bonds must mature not later than 40
2 years after the date of issuance. (Acts 65th Leg., R.S., Ch. 6,
3 Sec. 8(c) (part).)

4 Source Law

5 (c) Bonds of the district shall mature within 40
6 years of their date,

7 Revised Law

8 Sec. 1090.205. 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 in the
12 manner provided by Chapter 618, Government Code. (Acts 65th Leg.,
13 R.S., Ch. 6, Sec. 8(c) (part).)

14 Source Law

15 (c) [Bonds of the district] . . . shall be
16 executed in the name of the hospital district and in
17 its behalf by the president of the board and
18 countersigned by the secretary in the manner provided
19 by Chapter 204, Acts of the 57th Legislature, Regular
20 Session, 1961, as amended (Article 717j-1, Vernon's
21 Texas Civil Statutes),

22 Revisor's Note

23 (1) Section 8(c), Chapter 6, Acts of the 65th
24 Legislature, Regular Session, 1977, refers to Chapter
25 204, Acts of the 57th Legislature, Regular Session,
26 1961, as amended (Article 717j-1, Vernon's Texas Civil
27 Statutes). That statute was codified in 1999 as
28 Chapter 618, Government Code, and the revised law is
29 drafted accordingly.

30 (2) Section 8(c), Chapter 6, Acts of the 65th
31 Legislature, Regular Session, 1977, provides that
32 district bonds must bear interest at a rate not to
33 exceed that provided by Chapter 3, Acts of the 61st
34 Legislature, Regular Session, 1969 (Article 717k-2,
35 Vernon's Texas Civil Statutes). The maximum interest
36 rate noted in Chapter 3 was revised in 1999 as Section
37 1204.006, Government Code. Section 1204.006,
38 Government Code, permits a public agency, including a

1 hospital district, to issue public securities at any
2 net effective interest rate of 15 percent or less and
3 applies to the district under Section 1204.001,
4 Government Code. The revised law omits the reference
5 because it duplicates Section 1204.006, Government
6 Code. The omitted law reads:

7 (c) [Bonds of the district] . . .
8 shall bear interest at a rate not to exceed
9 that prescribed by Chapter 3, Acts of the
10 61st Legislature, Regular Session, 1969, as
11 amended (Article 717k-2, Vernon's Texas
12 Civil Statutes), and

13 (3) Section 8(c), Chapter 6, Acts of the 65th
14 Legislature, Regular Session, 1977, provides that
15 district bonds are subject to the law governing
16 counties that relates to bond approval by the attorney
17 general and registration of the bonds by the
18 comptroller. Section 8(c) also provides that after
19 approval and registration the bonds are "incontestable
20 for any cause." The revised law omits those provisions
21 as superseded by Chapter 1202, Government Code
22 (enacted as Article 3, Chapter 53, Acts of the 70th
23 Legislature, 2nd Called Session, 1987). Section
24 1202.003(a), Government Code, requires bonds to be
25 submitted to the attorney general. Section
26 1202.003(b), Government Code, provides for approval of
27 the bonds by the attorney general and requires the
28 attorney general to submit the approved bonds to the
29 comptroller for registration. Section 1202.005,
30 Government Code, requires registration of the bonds by
31 the comptroller. Section 1202.006, Government Code,
32 provides that after approval and registration the
33 bonds are incontestable and binding obligations.
34 Chapter 1202, Government Code, applies to district
35 bonds by application of Section 1202.001, Government
36 Code. The omitted law reads:

37 (c) [Bonds of the district] . . .

1 shall be subject to the same requirements in
2 the manner of approval by the Attorney
3 General of Texas and registration by the
4 Comptroller of Public Accounts of the State
5 of Texas as are by law provided for approval
6 and registration of bonds issued by
7 counties. On the approval of the bonds by
8 the attorney general and registration by
9 the comptroller, the same shall be
10 incontestable for any cause.

11 Revised Law

12 Sec. 1090.206. REVENUE BONDS. (a) The board may issue
13 revenue bonds to:

14 (1) purchase, construct, acquire, repair, renovate,
15 or equip buildings or improvements for hospital purposes; or

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

17 (b) The bonds must be payable from and secured by a pledge of
18 all or part of the revenue derived from the operation of the
19 district's hospitals.

20 (c) The bonds may be additionally secured by a mortgage or
21 deed of trust lien on all or part of district property.

22 (d) The bonds must be issued in the manner and in accordance
23 with the procedures and requirements prescribed by Sections
24 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
25 and Safety Code, for issuance of revenue bonds by a county hospital
26 authority. (Acts 65th Leg., R.S., Ch. 6, Sec. 10 (part).)

27 Source Law

28 Sec. 10. In addition to the power to issue bonds
29 payable from taxes levied by the district, as
30 contemplated by the preceding section, the board of
31 directors is further authorized to issue and . . .
32 revenue bonds for purchasing, constructing,
33 acquiring, repairing, equipping, or renovating
34 buildings and improvements for hospital purposes, and
35 for acquiring sites therefor, the bonds to be payable
36 from and secured by a pledge of all or any part of the
37 revenues of the district to be derived from the
38 operation of its hospital or hospitals. The bonds may
39 be additionally secured by a mortgage or deed of trust
40 lien on any part or all of its properties. The bonds
41 shall be issued in the manner and in accordance with
42 the procedures and requirements specified for the
43 issuance of revenue bonds by county hospital
44 authorities in Sections 8 and 10 through 13 of Chapter
45 122, Acts of the 58th Legislature, 1963 (codified as
46 Article 4494r, Vernon's Texas Civil Statutes).

47 Revisor's Note

48 Section 10, Chapter 6, Acts of the 65th

1 Legislature, Regular Session, 1977, refers to Sections
2 8, 10, 11, 12, and 13 of Chapter 122, Acts of the 58th
3 Legislature, 1963 (Article 4494r, Vernon's Texas Civil
4 Statutes). Those provisions were codified in 1989 as
5 Sections 264.042, 264.043, 264.046, 264.047, 264.048,
6 and 264.049, Health and Safety Code. The revised law
7 is drafted accordingly.

8 Revised Law

9 Sec. 1090.207. REFUNDING BONDS. (a) The board may, without
10 an election, issue refunding bonds to refund outstanding
11 indebtedness issued by the district.

12 (b) A refunding bond 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. (Acts 65th
17 Leg., R.S., Ch. 6, Secs. 8(a) (part), (b) (part), 10 (part).)

18 Source Law

19 Sec. 8. (a) . . . [No bonds shall be issued by
20 such hospital district] except refunding bonds [until
21 authorized by a majority of the electors of the
22 district.] . . .

23 (b) Refunding bonds of the district may be
24 issued for the purpose of refunding and paying off any
25 outstanding indebtedness it has issued. Such
26 refunding bonds may be sold and the proceeds thereof
27 applied to the payment of outstanding indebtedness, or
28 may be exchanged in whole or in part for not less than a
29 like principal amount of such outstanding
30 indebtedness. . . .

31 Sec. 10. . . . [the board of directors is
32 further authorized] . . . to refund any previously
33 issued [revenue bonds]

34 Revisor's Note

35 Section 8(b), Chapter 6, Acts of the 65th
36 Legislature, Regular Session, 1977, provides that
37 refunding bonds sold to pay outstanding indebtedness
38 must be issued and payments made in the manner
39 specified by Chapter 503, Acts of the 54th
40 Legislature, 1955, as amended (Article 717k, Vernon's
41 Texas Civil Statutes). In addition, the section

1 provides that refunding bonds must be issued in
2 conformity with Chapter 784, Acts of the 61st
3 Legislature, Regular Session, 1969, as amended
4 (Article 717k-3, Vernon's Texas Civil Statutes).
5 Articles 717k and 717k-3 were codified in 1999 as
6 Chapter 1207, Government Code. The revised law omits
7 the provisions because Chapter 1207, Government Code,
8 applies to the district by its own terms under Section
9 1207.001, Government Code. The omitted law reads:

10 (b) . . . If the refunding bonds are
11 to be sold and the proceeds thereof applied
12 to the payment of any such outstanding
13 indebtedness, same shall be issued and
14 payments made in the manner specified by
15 Chapter 503, Acts of the 54th Legislature,
16 1955, as amended (Article 717k, Vernon's
17 Texas Civil Statutes). Refunding bonds
18 shall be issued in conformity with Chapter
19 784, Acts of the 61st Legislature, Regular
20 Session, 1969, as amended (Article 717k-3,
21 Vernon's Texas Civil Statutes).

22 Revised Law

23 Sec. 1090.208. 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; or
28 (3) profits made in the sale of the bonds. (Acts 65th
29 Leg., R.S., Ch. 6, Sec. 22 (part).)

30 Source Law

31 Sec. 22. . . . any bonds issued by it and their
32 transfer and the issuance therefrom, including any
33 profits made in the sale thereof, shall at all times be
34 free from taxation by the state or any municipality or
35 political subdivision thereof.

36 Revisor's Note

37 Section 22, Chapter 6, Acts of the 65th
38 Legislature, Regular Session, 1977, refers to "any
39 municipality or political subdivision" of this state.
40 The revised law omits "municipality" because that term
41 is included in the meaning of "political subdivision"
42 of this state.

1 Revisor's Note
2 (End of Subchapter)

3 (1) Section 14, Chapter 6, Acts of the 65th
4 Legislature, Regular Session, 1977, provides that
5 district bonds are authorized investments for certain
6 entities. The revised law omits the provision as
7 unnecessary. As to several of the entities listed,
8 Section 14 has been superseded and impliedly repealed.
9 Investments in securities by banks are regulated by
10 Section 34.101, Finance Code (enacted in 1995 as
11 Section 5.101, Texas Banking Act (Article 342-5.101,
12 Vernon's Texas Civil Statutes)). Investments in
13 securities by savings banks are regulated by Section
14 93.001(c)(10), Finance Code (enacted in 1993 as
15 Section 7.15(10), Texas Savings Bank Act (Article
16 489e, Vernon's Texas Civil Statutes)). Investments in
17 securities by trust companies are regulated by Section
18 184.101, Finance Code (enacted in 1997 as Section
19 5.101, Texas Trust Company Act (Article 342a-5.101,
20 Vernon's Texas Civil Statutes)). Investments in
21 securities by savings and loan associations are
22 regulated by Sections 63.002 and 64.001, Finance Code.
23 As to the remaining entities listed, Section 14 is
24 superseded by Section 1201.041, Government Code,
25 enacted as Section 9, Bond Procedures Act of 1981
26 (Article 717k-6, Vernon's Texas Civil Statutes).
27 Section 1201.041, Government Code, applies to district
28 bonds by application of Section 1201.002, Government
29 Code. The revised law omits the reference to funds of
30 this state because it has been superseded by Section
31 404.024, Government Code (enacted in 1985 as Section
32 2.014, Treasury Act (Article 4393-1, Vernon's Texas
33 Civil Statutes)), which governs the investment of
34 state funds. Section 404.024(b)(10), Government Code,
35 authorizes the investment of state funds in

1 obligations of political subdivisions, including
2 hospital districts. The omitted law reads:

3 Sec. 14. All bonds issued and
4 indebtedness assumed by the district shall
5 be and are hereby declared to be legal and
6 authorized investments of banks, savings
7 banks, trust companies, building and loan
8 associations, savings and loan
9 associations, insurance companies,
10 trustees, and sinking funds of cities,
11 towns, villages, counties, school
12 districts, or other political subdivisions
13 of the State of Texas, and for all public
14 funds of the State of Texas or its agencies
15 including the state Permanent School
16 Fund. . . .

17 (2) Section 14, Chapter 6, Acts of the 65th
18 Legislature, Regular Session, 1977, effectively
19 provides that district bonds may secure deposits of
20 public funds of this state or political subdivisions
21 of this state. The revised law omits the provisions as
22 impliedly repealed by Section 404.0221, Government
23 Code (enacted in 1995), which lists eligible
24 collateral for deposits of state funds by the
25 comptroller, and by Chapter 2257, Government Code
26 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
27 Statutes), which governs eligible collateral for
28 deposits of funds of other public agencies, including
29 political subdivisions. The omitted law reads:

30 Sec. 14. . . . Such bonds and
31 indebtedness shall be eligible to secure
32 deposit of public funds of the State of
33 Texas and public funds of cities, towns,
34 villages, counties, school districts, or
35 other political subdivisions or
36 corporations of the State of Texas and shall
37 be lawful and sufficient security for said
38 deposits to the extent of their value when
39 accompanied by all unmatured coupons
40 appurtenant thereto.

41 [Sections 1090.209-1090.250 reserved for expansion]

42 SUBCHAPTER F. TAXES

43 Revised Law

44 Sec. 1090.251. IMPOSITION OF AD VALOREM TAX. (a) The board
45 shall impose a tax on all property in the district subject to
46 district taxation.

1 (b) The board shall impose the tax to pay:
2 (1) indebtedness issued by the district; and
3 (2) the maintenance and operating expenses of the
4 district.
5 (c) The board may not impose a tax to pay the principal of or
6 interest on revenue bonds issued under this chapter. (Acts 65th
7 Leg., R.S., Ch. 6, Secs. 13 (part), 16(a) (part).)

8 Source Law

9 Sec. 13. The board of directors shall annually
10 levy a tax . . . for the purpose of paying:
11 (1) the indebtedness issued by the
12 district, but no tax shall be levied to pay principal
13 of or interest on revenue bonds issued under the
14 provisions of Section 10 hereof; and
15 (2) the maintenance and operating expenses
16 of the district. . . .

17 Sec. 16. (a) . . . Hospital tax shall be
18 levied upon all taxable property within the district
19 subject to hospital district taxation.

20 Revised Law

21 Sec. 1090.252. TAX RATE. (a) The board may impose the tax
22 at a rate not to exceed 75 cents on each \$100 valuation of taxable
23 property in the district.

24 (b) In setting the tax rate, the board shall consider the
25 income of the district from sources other than taxation. (Acts 65th
26 Leg., R.S., Ch. 6, Secs. 3(b) (part), 13 (part).)

27 Source Law

28 [Sec. 3]
29 (b) . . . [hospital district shall be created
30 with authority to . . . levy annual taxes] at a rate
31 not to exceed 75 cents on the \$100 valuation on all
32 taxable property situated within the hospital
33 district, subject to hospital district taxation,
34

35 Sec. 13. [The board of directors shall annually
36 levy a tax] not to exceed the amount hereinabove
37 permitted
38 (2) . . . In setting such tax rate the
39 board shall take into consideration the income of the
40 district from sources other than taxation. . . .

41 Revisor's Note

42 Section 13, Chapter 6, Acts of the 65th
43 Legislature, Regular Session, 1977, requires the board
44 to levy the tax and to certify the tax rate to the tax

1 assessor-collector. The revised law omits that
2 provision because Section 26.05(a), Tax Code, requires
3 the governing body of a taxing unit to adopt a tax rate
4 for the current tax year and to notify the tax assessor
5 of that rate. The omitted law reads:

6 Sec. 13. . . .
7 (2) . . . On determination of
8 the amount of tax required to be levied, the
9 board shall make the levy and certify the
10 same to the tax assessor-collector.

11 Revised Law

12 Sec. 1090.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
13 ASSESSOR-COLLECTOR. (a) This section applies unless the board
14 elects to have taxes assessed and collected under Section 1090.254.

15 (b) The tax assessor-collector of Refugio County shall
16 assess and collect taxes imposed by the district. (Acts 65th Leg.,
17 R.S., Ch. 6, Secs. 16(a) (part), (b) (part).)

18 Source Law

19 (a) . . . unless the directors, by majority
20 vote, elect to have taxes assessed and collected by its
21 own tax assessor-collector under Subsection (c)
22 hereof. . . .

23 (b) Under this subsection, The tax
24 assessor-collector of the county in which the district
25 is situated shall be charged and required to
26 accomplish the assessment and collection of all taxes
27 levied by and on behalf of the district. . . .

28 Revisor's Note

29 (1) Sections 16(a) and (b), Chapter 6, Acts of
30 the 65th Legislature, Regular Session, 1977, refer to
31 the assessment and collection of district taxes on
32 county tax values. The revised law omits those
33 provisions because they were repealed by Section 6(b),
34 Chapter 841, Acts of the 66th Legislature, Regular
35 Session, 1979, which repealed all "general, local, and
36 special laws" that conflicted with that act. The 1979
37 Act enacted the Property Tax Code (Title 1, Tax Code),
38 a comprehensive, substantive codification of property
39 tax law. Title 1, Tax Code, provides the exclusive
40 procedures for the appraisal of property for taxation

1 by a taxing unit, including a hospital district. The
2 omitted law reads:

3 (a) . . . All taxes of the district
4 shall be assessed and collected on county
5 tax values as provided in Subsection (b)
6 hereof

7 (b) . . . district taxes shall be
8 assessed and collected on county tax values
9 in the same manner as provided by law with
10 relation to county taxes. . . .

11 (2) Section 16(b), Chapter 6, Acts of the 65th
12 Legislature, Regular Session, 1977, refers to the tax
13 assessor-collector of "the county in which the
14 district is situated." The revised law substitutes
15 "Refugio County" for the quoted language because
16 Refugio County is the county in which the district is
17 located.

18 (3) Section 16(b), Chapter 6, Acts of the 65th
19 Legislature, Regular Session, 1977, provides that the
20 county tax assessor-collector may charge a fee for the
21 assessment and collection of district taxes. The
22 revised law omits that provision because it was
23 repealed by Section 6(b), Chapter 841, Acts of the 66th
24 Legislature, Regular Session, 1979. See Revisor's
25 Note (1). Section 6.27(b), Tax Code, provides for the
26 compensation of a county tax assessor-collector
27 assessing and collecting taxes for another taxing
28 unit. The omitted law reads:

29 (b) . . . The assessor-collector of
30 taxes shall charge and deduct from payments
31 to the hospital district an amount as fees
32 for assessing and collecting the taxes at a
33 rate of one percent of the taxes assessed
34 and one percent of the taxes collected but
35 in no event shall the amount paid exceed
36 \$5,000 in any one calendar year. Such fees
37 shall be deposited in the officers salary
38 fund of the county and reported as fees of
39 office of the county tax
40 assessor-collector. . . .

41 (4) Section 16(b), Chapter 6, Acts of the 65th
42 Legislature, Regular Session, 1977, provides that
43 interest and penalties on district taxes and discounts

1 are the same as for county taxes. The revised law
2 omits that provision because it was repealed by
3 Section 6(b), Chapter 841, Acts of the 66th
4 Legislature, Regular Session, 1979. See Revisor's
5 Note (1). Chapter 33, Tax Code, provides for the
6 assessment of penalties and interest on delinquent
7 taxes, and Section 31.05, Tax Code, provides for
8 discounts on the early payment of taxes. The omitted
9 law reads:

10 (b) . . . Interest and penalties on
11 taxes paid to the hospital district shall be
12 the same as in the case of county taxes.
13 Discounts shall be the same as allowed by
14 the county. . . .

15 (5) Section 16(b), Chapter 6, Acts of the 65th
16 Legislature, Regular Session, 1977, provides that tax
17 revenue shall be deposited in the district's
18 depository. The revised law omits the provision
19 because Section 31.10, Tax Code, requires the tax
20 assessor-collector of a taxing unit to deposit taxes
21 collected in the unit's depository. The omitted law
22 reads:

23 (b) . . . The residue of tax
24 collections after deduction of discounts
25 and fees for assessing and collecting shall
26 be deposited in the district's
27 depository. . . .

28 (6) Section 16(b), Chapter 6, Acts of the 65th
29 Legislature, Regular Session, 1977, provides that the
30 bond of the county tax assessor-collector is security
31 for the performance of district duties unless the
32 board determines that an additional bond is necessary.
33 The revised law omits that provision because it
34 duplicates Section 6.29(b), Tax Code, which authorizes
35 a taxing unit for which the county tax
36 assessor-collector collects a tax to require that
37 collector to post an additional bond. The omitted law
38 reads:

1 (b) . . . The bond of the county tax
2 assessor-collector shall stand as security
3 for the proper performance of his duties as
4 assessor-collector of the district; or if
5 in the judgment of the district board of
6 directors it is necessary, additional bond
7 payable to the district may be
8 required. . . .

9 (7) Section 16(b), Chapter 6, Acts of the 65th
10 Legislature, Regular Session, 1977, states that the
11 tax assessor-collector may act in accordance with
12 state law relating to the assessment, collection, and
13 enforcement of state and county taxes. The revised law
14 omits that provision as unnecessary. The state law
15 relating to the assessment, collection, and
16 enforcement of all ad valorem taxes is Title 1, Tax
17 Code. Section 1.02, Tax Code, requires all taxing
18 units of government to administer the assessment,
19 collection, and enforcement of taxes in conformity
20 with that title. The omitted law reads:

21 (b) . . . In all matters pertaining
22 to the assessment, collection, and
23 enforcement of taxes for the district, the
24 county tax assessor-collector shall be
25 authorized to act in all respects according
26 to the laws of the State of Texas relating
27 to state and county taxes.

28 Revised Law

29 Sec. 1090.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
30 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
31 assessed and collected by a tax assessor-collector appointed by the
32 board. An election under this subsection must be made by December 1
33 and governs the manner in which taxes are assessed and collected,
34 until changed by a similar resolution.

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

- 36 (1) reside in the district; and
37 (2) own real property subject to district taxation.

38 (c) The board shall set for the district tax
39 assessor-collector:

- 40 (1) the term of employment; and
41 (2) compensation. (Acts 65th Leg., R.S., Ch. 6, Secs.

1 16(a) (part), (c) (part).)

2 Source Law

3 (a) . . . [directors . . . elect to have taxes
4 assessed and collected by its own tax
5 assessor-collector] . . . Any such election may be
6 made prior to December 1 annually and shall govern the
7 manner in which taxes are thereafter assessed and
8 collected, until changed by a similar
9 resolution. . . .

10 (c) Under this subsection, taxes shall be
11 assessed and collected by a tax assessor-collector
12 appointed by the directors, who shall also fix the term
13 of his employment, compensation, and . . . the tax
14 assessor and collector shall be residents of the
15 district and own real property subject to hospital
16 district taxation, and

17 Revisor's Note

18 (1) Section 16(c), Chapter 6, Acts of the 65th
19 Legislature, Regular Session, 1977, requires the board
20 to set a bond amount of not less than \$5,000 as
21 security for the district tax assessor-collector. The
22 revised law omits the provision because it was
23 repealed by Section 6(b), Chapter 841, Acts of the 66th
24 Legislature, Regular Session, 1979. See Revisor's
25 Note (1) to Section 1090.253. Section 6.29(a), Tax
26 Code, authorizes the governing body of a taxing unit,
27 including a hospital district, to require the unit's
28 tax assessor-collector to post bond without limiting
29 the amount. The omitted law reads:

30 (c) . . . [directors, who shall also
31 fix the] . . . requirement for bond to
32 assure the faithful performance of his
33 duties, but in no event may such bond be for
34 less than \$5,000. . . .

35 (2) Section 16(c), Chapter 6, Acts of the 65th
36 Legislature, Regular Session, 1977, states that the
37 board shall appoint a board of equalization and
38 establishes the duties of that board and the tax
39 assessor-collector. The revised law omits the
40 reference to a board of equalization because boards of
41 equalization were abolished and their functions and
42 duties transferred to appraisal review boards by the

1 1979 enactment of the Property Tax Code, Title 1, Tax
2 Code (Section 1, Chapter 841, Acts of the 66th
3 Legislature, Regular Session, 1979). The provisions
4 relating to the duties of the tax assessor-collector
5 are omitted because the Tax Code specifies the duties
6 of a tax assessor-collector. The omitted law reads:

7 (c) . . . The directors shall also
8 annually appoint five persons to serve as a
9 board of equalization and shall fix their
10 compensation. Each member of the board and
11 . . . [shall be residents of the district
12 and own real property subject to hospital
13 district taxation, and] each shall have the
14 same duties, including the obligation to
15 execute the oath of office, as required by
16 county officials exercising such powers and
17 duties. . . .

18 (3) Section 16(c), Chapter 6, Acts of the 65th
19 Legislature, Regular Session, 1977, refers to the
20 applicability of Title 122 of the Revised Statutes
21 (Taxation). Before its repeal and recodification,
22 Title 122 was composed of V.A.C.S. Articles
23 7041-7359a. The relevant parts of those provisions
24 were revised in 1979 as the Property Tax Code, Title 1,
25 Tax Code (Section 1, Chapter 841, Acts of the 66th
26 Legislature, Regular Session, 1979). The revised law
27 omits the provision because Title 1 applies to the
28 district on its own terms. The omitted law reads:

29 (c) . . . Except as in this law
30 provided to the contrary, all the
31 provisions of Title 122, Revised Civil
32 Statutes of Texas, 1925, as amended, shall
33 apply to the district.

34 Revisor's Note
35 (End of Subchapter)

36 Section 16(a), Chapter 6, Acts of the 65th
37 Legislature, Regular Session, 1977, provides that the
38 district may impose taxes for the entire year in which
39 the district is established. The revised law omits
40 that provision as executed. The omitted law reads:

41 Sec. 16. (a) The directors shall
42 have the authority to levy taxes for the
43 entire year in which the district is

1 established as the result of the election
2 herein provided. . . .

3 [Sections 1090.255-1090.300 reserved for expansion]

4 SUBCHAPTER G. DISSOLUTION

5 Revised Law

6 Sec. 1090.301. DISSOLUTION; ELECTION. (a) The district
7 may be dissolved as provided by this subchapter.

8 (b) The district may be dissolved and the district's assets
9 or facilities may be acquired by Refugio County only on approval of
10 a majority of district voters who vote on the question of the
11 district's dissolution and transfer of assets and facilities at an
12 election.

13 (c) The board shall order the election if the board receives
14 a petition calling for submission of the question that is signed by
15 at least 15 percent of the district's registered voters. Each voter
16 signing the petition must write next to the voter's name the date of
17 the voter's signature.

18 (d) The petition must be filed within 45 days of the
19 earliest date on which a voter signed the petition.

20 (e) The board shall order the question of the district's
21 dissolution submitted at the first directors' election held after
22 the date the board receives a petition under Subsection (d) that
23 occurs after the time required by Section 3.005, Election Code.
24 (Acts 65th Leg., R.S., Ch. 6, Secs. 26(a), (c) (part).)

25 Source Law

26 Sec. 26. (a) The district may be dissolved as
27 provided by this section.

28 (c) The district may not be dissolved nor may
29 facilities or assets of the district be acquired by
30 Refugio County unless and until the dissolution and
31 transfer of assets and facilities are approved by vote
32 of a majority of the qualified voters of the district
33 voting on the question. The question shall be
34 submitted to voters of the district on presentation of
35 a petition calling for submission of the question,
36 signed by a number of qualified voters of the district
37 equal to not less than 15 percent of the number of
38 qualified voters in the district. A voter signing the
39 petition must write the date of his signing next to his
40 name, and the required number of names must be
41 collected and the petition must be filed within 45 days
42 of the date of the first signature. The directors
43 shall order the question submitted to the voters at the
44 first election of directors of the district held more

1 than 60 days after the date on which the petition is
2 presented. . . .

3 Revisor's Note

4 (1) Section 26(c), Chapter 6, Acts of the 65th
5 Legislature, Regular Session, 1977, refers to a
6 majority vote of the "qualified" voters of the
7 district. Throughout this subchapter, the revised law
8 omits "qualified" as unnecessary in this context
9 because Chapter 11, Election Code, governs eligibility
10 to vote in an election in this state and allows only
11 "qualified" voters who are residents of the territory
12 covered by the election to vote in an election.

13 (2) Section 26(c), Chapter 6, Acts of the 65th
14 Legislature, Regular Session, 1977, refers to a
15 petition signed by not less than 15 percent of the
16 "qualified voters" in the district. The revised law
17 substitutes "registered voters" for the quoted
18 language because in the context of eligibility to sign
19 a petition, Section 277.0021, Election Code, provides
20 that "qualified voter" means "registered voter."

21 (3) Section 26(c), Chapter 6, Acts of the 65th
22 Legislature, Regular Session, 1977, states that the
23 board shall order the question of the district's
24 dissolution submitted at the first directors' election
25 held "more than 60 days" after the date the board
26 receives a petition calling for submission of the
27 question. The revised law substitutes for the quoted
28 language "after the time required by Section 3.005,
29 Election Code," because Section 3.005 supersedes the
30 quoted language and could require more time to pass
31 between the date on which the petition is received and
32 the date on which the election is held than is required
33 by Section 26(c).

34 Section 3.005 applies to the district under
35 Section 1.002, Election Code. Section 3.005 was

1 amended by Chapter 925, Acts of the 78th Legislature,
2 Regular Session, 2003, and Chapter 1109, Acts of the
3 79th Legislature, Regular Session, 2005. It requires
4 an election order issued by the authority of a
5 political subdivision to be issued not later than the
6 62nd day before election day or, for certain
7 elections, the 70th day before election day, and
8 provides that Section 3.005 supersedes a law outside
9 the Election Code to the extent of any conflict.

10 Revised Law

11 Sec. 1090.302. NOTICE OF ELECTION ON DISSOLUTION. Notice
12 of a directors' election at which the question of the district's
13 dissolution will be submitted to the voters must include notice
14 that the question of dissolution and the transfer of hospital
15 facilities to and the assumption of debts and bond obligations by
16 Refugio County will be submitted at the election. (Acts 65th Leg.,
17 R.S., Ch. 6, Sec. 26(c) (part).)

18 Source Law

19 (c) . . . [The directors shall order the
20 question submitted to the voters at the first election
21 of directors] . . . Notice of the election shall
22 include notice that the question on the dissolution of
23 the district and the transfer of hospital facilities
24 to and the assumption of debts and bond obligations by
25 Refugio County will be submitted at the election.

26 Revised Law

27 Sec. 1090.303. BALLOT. Beneath the names of the candidates
28 for director of the district, the ballot for an election under this
29 subchapter must provide for voting for or against the following
30 proposition: "The dissolution of the Refugio County Memorial
31 Hospital District and the transfer of the existing hospital
32 facilities to and the assumption of the debts and bond obligations
33 by Refugio County." (Acts 65th Leg., R.S., Ch. 6, Sec. 26(d).)

34 Source Law

35 (d) Beneath the names of the candidates for
36 director of the district, the ballots used at the
37 election shall provide for voting for or against the
38 following proposition: "The dissolution of the Refugio
39 County Memorial Hospital District and the transfer of
40 the existing hospital facilities to and the assumption

1 of the debts and bond obligations by Refugio County."

2 Revised Law

3 Sec. 1090.304. ELECTION RESULTS. (a) If a majority of the
4 votes in an election under this subchapter favor dissolution, the
5 board shall find that the proposition was approved and shall
6 declare the district dissolved.

7 (b) If a majority of the votes in the election do not favor
8 dissolution, the board shall find that the proposition was not
9 approved and shall declare that the district will continue to
10 operate. Another election on the question of dissolution may not be
11 held within 48 months after the anniversary of the date of any
12 preceding election held for the same purpose. (Acts 65th Leg.,
13 R.S., Ch. 6, Secs. 26(e) (part), (f).)

14 Source Law

15 (e) . . . if a majority of the qualified voters
16 voting in the election favors the proposition, the
17 board shall find that the proposition was approved and
18 shall declare the hospital district dissolved. If a
19 majority of the qualified voters voting in the
20 election does not favor the proposition, the board
21 shall find that the proposition was not approved and
22 shall declare that the district will continue to
23 operate.

24 (f) The failure of the proposition does not
25 prevent the calling and holding of subsequent
26 elections for the same purpose, but an election may not
27 be held within 48 months after the anniversary of the
28 date of any preceding election held for the same
29 purpose.

30 Revisor's Note

31 (1) Section 26(e), Chapter 6, Acts of the 65th
32 Legislature, Regular Session, 1977, provides that the
33 board shall convene and canvass the returns of the
34 election. The revised law omits that requirement
35 because it duplicates Section 67.002, Election Code,
36 which requires the governing body of a political
37 subdivision that orders an election to canvass the
38 returns. Section 26(e) also provides that the board
39 shall canvass the election returns "[n]ot later than
40 the 10th day after the date on which the election is
41 held." The revised law omits that provision as
42 superseded by Section 67.003, Election Code (enacted

1 by Section 1, Chapter 211, Acts of the 69th
2 Legislature, Regular Session, 1985, and last amended
3 in 2005). The omitted law reads:

4 (e) Not later than the 10th day after
5 the date on which the election is held, the
6 directors of the district shall convene and
7 canvass the returns of the election, and
8

9 (2) Section 26(f), Chapter 6, Acts of the 65th
10 Legislature, Regular Session, 1977, refers to the
11 "calling and holding" of an election. The revised law
12 omits references to "calling" an election because, in
13 this context, "calling" an election is included in the
14 meaning of "holding" an election. Under Chapter 3,
15 Election Code, all elections must be ordered (called)
16 before they may be held.

17 Revised Law

18 Sec. 1090.305. TRANSFER OF ASSETS AND LIABILITIES. If the
19 proposition for the dissolution of the district and the transfer of
20 the existing hospital facilities to and the assumption of the debts
21 and bond obligations by Refugio County is approved as provided by
22 this subchapter:

23 (1) the land, buildings, improvements, and equipment
24 that are part of the hospital or hospital system owned by the
25 district shall be transferred to Refugio County;

26 (2) any debts and bond obligations of the district
27 shall be assumed by Refugio County; and

28 (3) the Refugio County Commissioners Court shall
29 provide for:

30 (A) establishing and administering a hospital
31 system by purchasing, constructing, acquiring by gift or otherwise,
32 repairing, or renovating buildings and equipment; and

33 (B) equipping the hospital system. (Acts 65th
34 Leg., R.S., Ch. 6, Sec. 26(b).)

35 Source Law

36 (b) The land, buildings, improvements, and
37 equipment that are part of the hospital or hospital

1 system owned by the district shall be transferred to
2 Refugio County. Any debts and bond obligations of the
3 district shall be assumed by Refugio County. The
4 Commissioners Court of Refugio County shall provide
5 for establishing and administering a hospital system
6 by purchase, gift, construction, acquisition, repair,
7 or renovation of buildings and equipment and for
8 equipping the hospital system.

9 [(c) The district may not be dissolved nor may
10 facilities or assets of the district be acquired by
11 Refugio County unless and until the dissolution and
12 transfer of assets and facilities are approved by vote
13 of a majority of the qualified voters of the district
14 voting on the question.] . . .

15 Revisor's Note
16 (End of Chapter)

17 (1) Sections 20(a) and (b), Chapter 6, Acts of
18 the 65th Legislature, Regular Session, 1977, provide
19 for the transfer of certain land, buildings,
20 improvements, equipment, funds, and taxes to the
21 district after the district is created. The revised
22 law omits the provisions as executed. The omitted law
23 reads:

24 (a) . . . When the district is
25 created and established, the county and any
26 city, town, or nonprofit hospital [in the
27 district] shall transfer to the district
28 all land, buildings, improvements, and
29 equipment in anywise pertaining to its
30 hospitals or hospital systems.

31 (b) Operating funds and reserves for
32 operating expenses which are on hand and
33 funds which have been budgeted to provide
34 medical care for residents of the district
35 by the county or any city, town, or
36 nonprofit hospital in the district for the
37 remainder of the fiscal year in which its
38 facilities are transferred to the district
39 shall likewise be transferred to the
40 district, as shall taxes levied for
41 hospital purposes for that year.

42 (2) Section 23, Chapter 6, Acts of the 65th
43 Legislature, Regular Session, 1977, provides that the
44 act is severable. The revised law omits that provision
45 because it duplicates Section 311.032, Government Code
46 (Code Construction Act), which provides that a
47 provision of a statute is severable from each other
48 provision of the statute that can be given effect. The
49 omitted law reads:

50 Sec. 23. . . . If any provision of
51 this Act should be invalid, such fact shall

1 not affect the authorization for the
 2 creation of the district or the validity of
 3 any other provisions of this Act, and the
 4 legislature hereby declares that it would
 5 have created the district and enacted the
 6 valid provisions of this Act
 7 notwithstanding the invalidity of any other
 8 provision or provisions hereof.

9 (3) Section 24, Chapter 6, Acts of the 65th
 10 Legislature, Regular Session, 1977, provides that
 11 public notice of enactment of the statute was provided
 12 in a manner that satisfies the requirements of the
 13 Texas Constitution. The revised law omits that
 14 section as executed. The omitted law reads:

15 Sec. 24. Proof of publication of the
 16 notice required in the enactment hereof
 17 under the provisions of Article IX, Section
 18 9 of the Texas Constitution, has been made
 19 in the manner and form provided by law
 20 pertaining to the enactment of local and
 21 special laws, and the notice is hereby found
 22 and declared proper and sufficient to
 23 satisfy the requirement.

24 CHAPTER 1091. RICE HOSPITAL DISTRICT

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32		SUBCHAPTER A. GENERAL PROVISIONS	
33		<u>Revised Law</u>	
34	Sec. 1091.001.	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 Rice Hospital District.
5 (Acts 71st Leg., R.S., Ch. 199, Sec. 1.01.)

6 Source Law

7 Sec. 1.01. In this Act:

8 (1) "District" means the Rice Hospital
9 District.

10 (2) "Board" means the board of directors
11 of the district.

12 (3) "Director" means a member of the
13 board.

14 Revised Law

15 Sec. 1091.002. AUTHORITY FOR OPERATION. The Rice Hospital
16 District operates and is financed as provided by Section 9, Article
17 IX, Texas Constitution, and by this chapter. (Acts 71st Leg., R.S.,
18 Ch. 199, Sec. 1.02.)

19 Source Law

20 Sec. 1.02. The Rice Hospital District may be
21 created, maintained, operated, and financed in the
22 manner provided by Article IX, Section 9, of the Texas
23 Constitution and by this Act.

24 Revisor's Note

25 Section 1.02, Chapter 199, Acts of the 71st
26 Legislature, Regular Session, 1989, provides that the
27 district "may be created, maintained, operated, and
28 financed" in the manner provided by the Texas
29 Constitution and the act. The revised law omits
30 "created" as executed. The revised law omits
31 "maintained" because, in this context, the meaning of
32 that term is included in the meaning of "operated."

33 Revised Law

34 Sec. 1091.003. ESSENTIAL PUBLIC FUNCTION. The district is
35 a public entity performing an essential public function. (Acts
36 71st Leg., R.S., Ch. 199, Sec. 7.11 (part).)

37 Source Law

38 Sec. 7.11. Since the district created under
39 this Act is a public entity performing an essential
40 public function,

1 Revised Law

2 Sec. 1091.004. DISTRICT TERRITORY. The boundaries of the
3 district are coextensive with the boundaries of Rice Consolidated
4 Independent School District of Colorado County, Texas, as those
5 boundaries existed on May 26, 1989. (Acts 71st Leg., R.S., Ch. 199,
6 Sec. 1.03.)

7 Source Law

8 Sec. 1.03. The boundaries of the district are
9 coextensive with the boundaries of Rice Consolidated
10 Independent School District of Colorado County, Texas.

11 Revisor's Note

12 Section 1.03, Chapter 199, Acts of the 71st
13 Legislature, Regular Session, 1989, provides that the
14 boundaries of the district are coextensive with the
15 boundaries of the Rice Consolidated Independent School
16 District. Under Chapter 13, Education Code, a school
17 district's boundaries may be changed.

18 However, the general rules of statutory
19 construction provide that the delineation of a
20 political subdivision's boundary by reference to that
21 of another political subdivision refers to the
22 boundary as it existed at the time of the delineation.
23 See Op. Tex. Att'y Gen. No. DM-186 (1992) (Hamilton
24 County Hospital District boundaries do not change when
25 commissioners precinct boundaries change). Changing
26 the hospital district boundaries based on changes in
27 the school district boundaries would cause some
28 territory to be included in the district and subject to
29 an ad valorem tax for which an election was not held
30 under Section 9, Article IX, Texas Constitution, or
31 cause some territory subject to the tax to be removed
32 from the district, possibly resulting in an
33 unconstitutional impairment of the contract under
34 which district bonds issued were supported by an ad
35 valorem tax imposed on district property.

1 Had the legislature intended this result, it
2 could have provided in the statute a method by which
3 the changes in district boundaries could have been
4 made to avoid these constitutional issues.
5 Accordingly, the revised law defines the hospital
6 district boundaries as of the effective date of the act
7 that made the boundaries coextensive with those of the
8 school district.

9 Revised Law

10 Sec. 1091.005. DISTRICT SUPPORT OR MAINTENANCE NOT STATE
11 OBLIGATION. The state may not become obligated for the support or
12 maintenance of the district. (Acts 71st Leg., R.S., Ch. 199, Sec.
13 10.01 (part).)

14 Source Law

15 Sec. 10.01. The state may not become obligated
16 for the support or maintenance of a hospital district
17 created under this Act,

18 Revised Law

19 Sec. 1091.006. 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. 199, Sec. 10.01 (part).)

23 Source Law

24 Sec. 10.01. . . . nor may the legislature make a
25 direct appropriation for the construction,
26 maintenance, or improvement of a facility of the
27 district.

28 Revisor's Note
29 (End of Subchapter)

30 Article 3, Chapter 199, Acts of the 71st
31 Legislature, Regular Session, 1989, provides
32 procedures for holding an election on the creation of
33 the district and the imposition of an ad valorem tax.
34 Because the creation of the district and the
35 imposition of the tax were approved at such an election
36 in 1995, the revised law omits that article as
37 executed. The omitted law reads:

1 Sec. 3.01. The district may be
2 created and a tax may be authorized only if
3 the creation and the tax are approved by a
4 majority of the qualified voters of the
5 territory of the proposed district voting
6 at an election called and held for that
7 purpose.

8 Sec. 3.02. (a) A majority of the
9 temporary directors of the district may
10 order a creation election to be held.

11 (b) On presentation of a petition for
12 a creation election signed by at least 10
13 percent of the registered voters of the
14 territory of the proposed district,
15 according to the most recent official lists
16 of registered voters, the temporary
17 directors shall order an election to be
18 held. The election shall be called not
19 later than the 60th day after the date the
20 petition is presented to the district.

21 Sec. 3.03. The order calling the
22 election must state:

23 (1) the nature of the election,
24 including the proposition that is to appear
25 on the ballot;

26 (2) the date of the election;

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

29 (4) the location of the polling
30 places.

31 Sec. 3.04. The temporary directors
32 shall give notice of the election by
33 publishing a substantial copy of the
34 election order in a newspaper with general
35 circulation in the proposed district once a
36 week for two consecutive weeks. The first
37 publication must appear at least 35 days
38 before the date set for the election.

39 Sec. 3.05. (a) The election shall be
40 held not less than 45 days nor more than 60
41 days after the date on which the election is
42 ordered.

43 (b) Subsection (a), Section 41.001,
44 Election Code, does not apply to an election
45 ordered under this article.

46 Sec. 3.06. The ballot for an election
47 at which the issuance of bonds is not
48 proposed shall be printed to permit voting
49 for or against the proposition: "The
50 creation of the Rice Hospital District and
51 the levy of annual taxes for hospital
52 purposes at a rate not to exceed 75 cents on
53 each \$100 valuation of all taxable property
54 in the district."

55 Sec. 3.07. (a) The temporary
56 directors of the district shall meet and
57 canvass the returns of the election.

58 (b) If the temporary directors find
59 that the election results are favorable to
60 the proposition to create the district,
61 they shall issue an order declaring the
62 district created.

63 (c) If the temporary directors find
64 that the election results are not favorable
65 to the proposition to create the district,
66 another creation election may not be held
67 within 12 months after the date of the
68 election at which voters disapproved the
69 proposition.

1 Sec. 3.08. If the creation of the
2 district is not approved at an election held
3 within 60 months after the effective date of
4 this Act, this Act expires.

5 Sec. 3.09. (a) A petition for a
6 creation election under Subsection (b) of
7 Section 3.02 of this Act may include a
8 request that a proposition be submitted at
9 the election to determine whether the board
10 may issue district bonds if the district is
11 created. The petition must specify the
12 maximum amount of bonds to be issued and
13 their maximum maturity date.

14 (b) Even though a petition does not
15 request submission of a proposition on
16 whether the board may issue bonds or even
17 though the temporary directors have called
18 the election on their own motion under
19 Subsection (a) of Section 3.02 of this Act,
20 the temporary directors may submit a
21 proposition at the creation election on the
22 issuance of bonds.

23 (c) If a bond proposition is
24 submitted to the voters, the ballot for the
25 election shall be printed to permit voting
26 for or against the proposition: "The
27 creation of the Rice Hospital District, the
28 levy of annual taxes for hospital purposes
29 at a rate not to exceed 75 cents on each \$100
30 valuation of all taxable property in the
31 district, and the issuance of bonds in an
32 amount not to exceed _____ (insert
33 amount) and to mature not later than
34 _____ (insert date)."

35 (d) The board may issue bonds as
36 provided by this Act if a majority of the
37 votes cast at the election favor the
38 proposition to create the district,
39 authorize a tax, and issue bonds.

40 [Sections 1091.007-1091.050 reserved for expansion]

41 SUBCHAPTER B. DISTRICT ADMINISTRATION

42 Revised Law

43 Sec. 1091.051. BOARD ELECTION; TERM. (a) The district is
44 governed by a board of nine directors elected from the district at
45 large.

46 (b) Unless four-year terms are established under Section
47 285.081, Health and Safety Code:

48 (1) directors serve staggered two-year terms; and

49 (2) an election shall be held on the uniform election
50 date in May of each year to elect the appropriate number of
51 directors. (Acts 71st Leg., R.S., Ch. 199, Secs. 4.01(a), 4.03(a),

52 (c) (part).)

53 Source Law

54 Sec. 4.01. (a) The district is governed by a

1 board of nine directors.

2 Sec. 4.03. (a) Members of the board of
3 directors shall be elected from the district at large.

4 (c) . . . an election shall be held on the first
5 Saturday in May each year, and the appropriate number
6 of successor directors shall be elected for two-year
7 terms.

8 Revisor's Note

9 (1) Article 2 and Section 4.01(b), Chapter 199,
10 Acts of the 71st Legislature, Regular Session, 1989,
11 provide for temporary directors to serve until elected
12 directors take office and provide for filling a
13 vacancy in the office of temporary director. The
14 revised law omits the provisions as executed. The
15 omitted law reads:

16 Sec. 2.01. On the effective date of
17 this Act, the following persons become
18 temporary directors of the district:

- 19 (1) B. J. Ashby
- 20 (2) Steve Balas
- 21 (3) Wayne Corman
- 22 (4) Eunice Frnka
- 23 (5) William H. Harrison, Sr.
- 24 (6) Anthony Kallina
- 25 (7) William H. Lehrer
- 26 (8) Willard W. Shuart
- 27 (9) Raymond R. Thomas, M.D.

28 Sec. 2.02. The directors remaining
29 after a vacancy in the office of temporary
30 director shall fill the vacancy by
31 appointment by majority vote.

32 [Sec. 4.01]

33 (b) From the time the creation of the
34 district is approved until the elected
35 directors take office, the temporary
36 directors serve as directors of the
37 district.

38 (2) Sections 4.02 and 4.03(b) and (c), Chapter
39 199, Acts of the 71st Legislature, Regular Session,
40 1989, prescribe the procedure for electing the initial
41 board. The revised law omits the provisions as
42 executed. The omitted law reads:

43 Sec. 4.02. [Initial] Directors shall
44 be elected at an election to be held on the
45 first Saturday in May following the
46 creation of the district.

47 [Sec. 4.03]

48 (b) The nine candidates receiving the
49 highest number of votes at the initial
50 election of directors are directors for the

1 district. . . .

2 (c) After the initial election of
3 directors,

4 (3) Section 4.03(b), Chapter 199, Acts of the
5 71st Legislature, Regular Session, 1989, provides for
6 staggering the directors' terms by requiring the five
7 directors who receive "the highest number of votes at
8 the initial election [to] serve for a term of two
9 years" and the "remaining directors [to] serve for a
10 term of one year." The revised law omits the provision
11 as executed but codifies the establishment of
12 staggered terms. The omitted law reads:

13 (b) The five directors
14 receiving the highest number of votes at the
15 initial election serve for a term of two
16 years. The remaining directors serve for a
17 term of one year.

18 (4) Section 4.03(c), Chapter 199, Acts of the
19 71st Legislature, Regular Session, 1989, requires
20 board elections to be held on the "first Saturday in
21 May." From 1986 to 2003, Section 41.001, Election
22 Code, provided for a uniform election date for all
23 political subdivisions on the first Saturday in May.
24 In Chapter 1315, Acts of the 78th Legislature, Regular
25 Session, 2003, the legislature amended Section 41.001
26 by moving the uniform election date in May to the third
27 Saturday. In Chapter 1, Acts of the 78th Legislature,
28 3rd Called Session, 2003, the legislature amended
29 Section 41.001 by moving the uniform election date in
30 May back to the first Saturday. In Chapter 471, Acts
31 of the 79th Legislature, Regular Session, 2005, the
32 legislature amended Section 41.001 by moving the
33 uniform election date in May to the second Saturday.
34 The revised law substitutes "uniform election date in
35 May" for "first Saturday in May" to reflect these
36 changes while preserving as closely as possible the
37 legislative intent expressed in Section 4.03(c) that
38 the election be held on the first Saturday in May,

1 which was the uniform election date in May.

2 (5) Section 4.03(c), Chapter 199, Acts of the
3 71st Legislature, Regular Session, 1989, provides that
4 directors serve two-year terms. Section 285.081,
5 Health and Safety Code, applicable to this district,
6 provides a mechanism by which the governing board of a
7 hospital district, on its own motion, may order that
8 members are to be elected in even-numbered years to
9 serve staggered four-year terms. The revised law is
10 drafted accordingly and adds a reference to Section
11 285.081, Health and Safety Code, for the convenience
12 of the reader.

13 Revised Law

14 Sec. 1091.052. NOTICE OF ELECTION. At least 35 days before
15 the date of an election of directors, notice of the election shall
16 be published one time in a newspaper with general circulation in the
17 district. (Acts 71st Leg., R.S., Ch. 199, Sec. 4.04.)

18 Source Law

19 Sec. 4.04. At least 35 days before the date of
20 an election of directors, notice of the election shall
21 be published one time in a newspaper with general
22 circulation in the district.

23 Revised Law

24 Sec. 1091.053. BALLOT PETITION. A person seeking to have
25 the person's name printed on the ballot as a candidate for director
26 must file with the board secretary a petition requesting that
27 action. The petition must be:

28 (1) signed by at least 10 registered voters of the
29 district as determined by the most recent official list of
30 registered voters; and

31 (2) filed not later than the 31st day before the date
32 of the election. (Acts 71st Leg., R.S., Ch. 199, Sec. 4.05.)

33 Source Law

34 Sec. 4.05. (a) A person who wishes to have his
35 name printed on the ballot as a candidate for director
36 must file with the secretary of the board of directors
37 a petition signed by at least 10 registered voters of
38 the district asking that his name be placed on the

1 ballot. The determination of whether a person is a
2 registered voter of the district shall be based on the
3 most recent official list of registered voters.

4 (b) The petition must be filed with the
5 secretary not later than the 31st day before the date
6 of the election.

7 Revised Law

8 Sec. 1091.054. QUALIFICATIONS FOR OFFICE. (a) To be
9 eligible to be a candidate for or to serve as a director, a person
10 must be:

11 (1) a resident of the district; and

12 (2) a qualified voter.

13 (b) A district employee may not serve as a director. (Acts
14 71st Leg., R.S., Ch. 199, Sec. 4.06.)

15 Source Law

16 Sec. 4.06. (a) To be eligible to be a candidate
17 for or to serve as a director, a person must be:

18 (1) a resident of the district; and

19 (2) a qualified voter.

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

22 Revised Law

23 Sec. 1091.055. BOND; RECORD OF BOND. (a) Before assuming
24 the duties of office, each director must execute a bond for \$5,000
25 that is:

26 (1) payable to the district; and

27 (2) conditioned on the faithful performance of the
28 director's duties.

29 (b) The board may pay for directors' bonds with district
30 money.

31 (c) Each director's bond shall be kept in the district's
32 permanent records. (Acts 71st Leg., R.S., Ch. 199, Sec. 4.07.)

33 Source Law

34 Sec. 4.07. (a) Before assuming the duties of
35 the office, each director must execute a bond for
36 \$5,000 payable to the district and conditioned on the
37 faithful performance of the person's duties as
38 director.

39 (b) The bond shall be kept in the permanent
40 records of the district.

41 (c) The board may pay for directors' bonds with
42 district funds.

43 Revised Law

44 Sec. 1091.056. BOARD VACANCY. If a vacancy occurs in the

1 office of director, the remaining directors shall appoint a
2 director for the unexpired term. (Acts 71st Leg., R.S., Ch. 199,
3 Sec. 4.08.)

4 Source Law

5 Sec. 4.08. A vacancy in the office of director
6 shall be filled for the unexpired term by appointment
7 by the remaining directors.

8 Revised Law

9 Sec. 1091.057. OFFICERS. (a) The board shall elect a
10 president and a vice president from among its members.

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

13 (c) Each officer of the board serves for a term of one year.

14 (d) The board shall fill a vacancy in a board office for the
15 unexpired term. (Acts 71st Leg., R.S., Ch. 199, Secs. 4.09, 4.10.)

16 Source Law

17 Sec. 4.09. The board shall elect from among its
18 members a president and a vice-president. The board
19 shall also appoint a secretary. The secretary need not
20 be a director.

21 Sec. 4.10. (a) Each officer of the board serves
22 for a term of one year.

23 (b) The board shall fill a vacancy in a board
24 office for the unexpired term.

25 Revised Law

26 Sec. 1091.058. COMPENSATION; EXPENSES. A director or
27 officer serves without compensation but may be reimbursed for
28 actual expenses incurred in the performance of official duties.
29 The expenses must be:

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

31 (2) approved by the board. (Acts 71st Leg., R.S., Ch.
32 199, Sec. 4.11.)

33 Source Law

34 Sec. 4.11. Directors and officers serve without
35 compensation but may be reimbursed for actual expenses
36 incurred in the performance of official duties. Those
37 expenses must be reported in the district's minute book
38 or other district records and must be approved by the
39 board.

40 Revisor's Note

41 Section 4.11, Chapter 199, Acts of the 71st

1 Legislature, Regular Session, 1989, requires that
2 approved expenses be reported in the "district's
3 minute book or other district records." The revised
4 law omits the reference to the "district's minute book"
5 because the minute book is a district record.

6 Revised Law

7 Sec. 1091.059. VOTING REQUIREMENT. A concurrence of a
8 majority of the directors voting is necessary in any matter
9 relating to district business. (Acts 71st Leg., R.S., Ch. 199, Sec.
10 4.12.)

11 Source Law

12 Sec. 4.12. A concurrence of a majority of the
13 members of the board voting is necessary in matters
14 relating to the business of the district.

15 Revised Law

16 Sec. 1091.060. 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 compensation as determined by the board.

20 (c) Before assuming the duties of district administrator,
21 the administrator must execute a bond in an amount determined by the
22 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. 199, Secs. 4.13(a) (part), (b) (part),
28 (c) (part), (d).)

29 Source Law

30 Sec. 4.13. (a) The board may appoint qualified
31 persons as administrator of the district,

32 (b) The administrator, . . . serve at the will
33 of the board.

34 (c) The administrator, . . . are entitled to
35 compensation as determined by the board.

36 (d) Before assuming his duties, the
37 administrator shall execute a bond payable to the
38 hospital district in the amount of not less than
39 \$5,000, as determined by the board, conditioned on the
40 faithful performance of his duties under this Act. The
41 board may pay for the bond with district funds.

1 Revised Law

2 Sec. 1091.061. 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. 199, Sec. 4.16.)

9 Source Law

10 Sec. 4.16. The administrator shall supervise
11 the work and activities of the district and shall
12 direct the general affairs of the district, subject to
13 the limitations prescribed by the board.

14 Revised Law

15 Sec. 1091.062. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

16 (a) The board may appoint qualified persons as:

- 17 (1) the assistant district administrator; and
18 (2) the attorney for the district.

19 (b) The assistant district administrator and the attorney
20 for the district serve at the will of the board and are entitled to
21 compensation as determined by the board. (Acts 71st Leg., R.S., Ch.
22 199, Secs. 4.13(a) (part), (b) (part), (c) (part).)

23 Source Law

24 Sec. 4.13. (a) The board may appoint qualified
25 persons as . . . assistant administrator, and
26 attorney for the district.

27 (b) The . . . assistant administrator, and
28 attorney serve at the will of the board.

29 (c) The . . . assistant administrator, and
30 attorney are entitled to compensation as determined by
31 the board.

32 Revised Law

33 Sec. 1091.063. APPOINTMENT AND RECRUITMENT OF STAFF AND
34 EMPLOYEES. (a) The board may:

35 (1) appoint to the staff any doctors whose appointment
36 the board considers necessary for the efficient operation of the
37 district;

38 (2) make temporary appointments as the board considers
39 necessary; and

1 (3) after due process remove from the medical staff
2 any doctor whose removal the board considers necessary for the
3 efficient operation of the district.

4 (b) The district may employ technicians, nurses, fiscal
5 agents, accountants, architects, additional attorneys, and other
6 necessary employees.

7 (c) The board may delegate to the district administrator the
8 authority to employ persons for the district.

9 (d) Except as prohibited by applicable law, the board may
10 spend money to recruit physicians, nurses, and other personnel.
11 (Acts 71st Leg., R.S., Ch. 199, Secs. 4.14, 4.15, 5.04(c).)

12 Source Law

13 Sec. 4.14. The board may:

14 (1) appoint to the staff any doctors it
15 considers necessary for the efficient operation of the
16 district;

17 (2) make temporary appointments as
18 considered necessary; and

19 (3) remove from the medical staff, after
20 due process, any doctors it considers necessary to
21 remove for the efficient operation of the district.

22 Sec. 4.15. (a) The district may employ
23 technicians, nurses, fiscal agents, accountants,
24 architects, additional attorneys, and other necessary
25 employees.

26 (b) The board may delegate to the administrator
27 the authority to employ persons for the district.

28 [Sec. 5.04]

29 (c) The board may spend money to recruit
30 physicians, nurses, and other personnel except as
31 prohibited by applicable law.

32 Revised Law

33 Sec. 1091.064. RETIREMENT BENEFITS. The board may provide
34 retirement benefits for district employees by:

35 (1) establishing or administering a retirement
36 program; or

37 (2) participating in:

38 (A) the Texas County and District Retirement
39 System; or

40 (B) another statewide retirement system in which
41 the district is eligible to participate. (Acts 71st Leg., R.S., Ch.
42 199, Sec. 4.17.)

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Source Law

Sec. 4.17. The board may provide retirement benefits for employees of the district by establishing or administering a retirement program or by electing to participate in the Texas County and District Retirement System or in any other statewide retirement system in which the district is eligible to participate.

[Sections 1091.065-1091.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Revised Law

Sec. 1091.101. DISTRICT RESPONSIBILITY. The district has full responsibility for:

(1) operating hospital facilities; and

(2) providing medical and hospital care for the district's needy inhabitants. (Acts 71st Leg., R.S., Ch. 199, Sec. 5.01 (part).)

Source Law

Sec. 5.01. On creation of the district, the district:
(1) assumes full responsibility for operating hospital facilities and for furnishing medical and hospital care for the district's needy inhabitants;

Revisor's Note

Section 5.01, Chapter 199, Acts of the 71st Legislature, Regular Session, 1989, provides that "[o]n creation of the district," the district "assumes" certain responsibilities. The revised law omits "[o]n creation of the district," as executed. The revised law substitutes "has" for "assumes" because the obligation to assume the responsibility is executed.

Revised Law

Sec. 1091.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district. (Acts 71st Leg., R.S., Ch. 199, Sec. 5.02.)

Source Law

Sec. 5.02. The board shall manage, control, and

1 administer the hospital system and the funds and
2 resources of the district.

3 Revised Law

4 Sec. 1091.103. RULES. The board may adopt rules governing:

5 (1) the operation of the hospital and hospital system;
6 and

7 (2) the duties, functions, and responsibilities of
8 district staff and employees. (Acts 71st Leg., R.S., Ch. 199, Sec.
9 5.03.)

10 Source Law

11 Sec. 5.03. The board may adopt rules governing
12 the operation of the hospital and hospital system and
13 the duties, functions, and responsibilities of
14 district staff and employees.

15 Revised Law

16 Sec. 1091.104. PURCHASING AND ACCOUNTING PROCEDURES. The
17 board may prescribe:

18 (1) the method of making purchases and expenditures by
19 and for the district; and

20 (2) accounting and control procedures for the
21 district. (Acts 71st Leg., R.S., Ch. 199, Secs. 5.04(a), (b).)

22 Source Law

23 Sec. 5.04. (a) The board may prescribe the
24 method of making purchases and expenditures by and for
25 the district.

26 (b) The board may prescribe accounting and
27 control procedures for the district.

28 Revised Law

29 Sec. 1091.105. DISTRICT PROPERTY, FACILITIES, AND
30 EQUIPMENT. (a) The board shall determine:

31 (1) the type, number, and location of buildings
32 required to maintain an adequate hospital system; and

33 (2) the type of equipment necessary for hospital care.

34 (b) The board may:

35 (1) acquire property, including facilities and
36 equipment, for the district for use in the hospital system; and

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

39 (c) The board may lease hospital facilities for the

1 district.

2 (d) The board may sell or otherwise dispose of property,
3 including facilities or equipment, for the district. (Acts 71st
4 Leg., R.S., Ch. 199, Sec. 5.05.)

5 Source Law

6 Sec. 5.05. (a) The board shall determine the
7 type, number, and location of buildings required to
8 establish and maintain an adequate hospital system and
9 the type of equipment necessary for hospital care.

10 (b) The board may acquire property, facilities,
11 and equipment for the district for use in the hospital
12 system and may mortgage or pledge the property,
13 facilities, or equipment acquired as security for the
14 payment of the purchase price.

15 (c) The board may lease hospital facilities on
16 behalf of the district.

17 (d) The board may sell or otherwise dispose of
18 property, facilities, or equipment on behalf of the
19 district.

20 Revisor's Note

21 Section 5.05(a), Chapter 199, Acts of the 71st
22 Legislature, Regular Session, 1989, requires the board
23 to determine the buildings required to "establish and
24 maintain" an adequate hospital system. The revised
25 law omits the reference to establishing the hospital
26 system as executed.

27 Revised Law

28 Sec. 1091.106. EMINENT DOMAIN. (a) The district may
29 exercise the power of eminent domain to acquire a fee simple or
30 other interest in property located in district territory if the
31 interest is necessary for the district to exercise a right or
32 authority conferred by this chapter.

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

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

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

41 (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 petition for review. (Acts 71st Leg., R.S., Ch. 199,
4 Sec. 5.08.)

5 Source Law

6 Sec. 5.08. (a) The district may exercise the
7 power of eminent domain to acquire by condemnation a
8 fee simple or other interest in property located in the
9 territory of the district if the property interest is
10 necessary to the exercise of the rights or authority
11 conferred by this Act.

12 (b) The district must exercise the power of
13 eminent domain in the manner provided by Chapter 21,
14 Property Code, but the district is not required to
15 deposit in the trial court money or a bond as provided
16 by Subsection (a), Section 21.021, Property Code.

17 (c) In a condemnation proceeding brought by the
18 district, the district is not required to pay in
19 advance or give bond or other security for costs in the
20 trial court, to give bond for the issuance of a
21 temporary restraining order or a temporary injunction,
22 or to give bond for costs or supersedeas on an appeal
23 or writ of error.

24 Revisor's Note

25 Section 5.08, Chapter 199, Acts of the 71st
26 Legislature, Regular Session, 1989, refers to a "writ
27 of error." The revised law substitutes "petition for
28 review" for "writ of error" because, effective
29 September 1, 1997, the Texas Supreme Court replaced
30 the writ of error procedure with the petition for
31 review procedure. See Rule 53.1, Texas Rules of
32 Appellate Procedure.

33 Revised Law

34 Sec. 1091.107. COST OF RELOCATING OR ALTERING PROPERTY. In
35 exercising the power of eminent domain, if the board requires
36 relocating, raising, lowering, rerouting, changing the grade of, or
37 altering the construction of any railroad, highway, pipeline, or
38 electric transmission and electric distribution, telegraph, or
39 telephone line, conduit, pole, or facility, the district must bear
40 the actual cost of relocating, raising, lowering, rerouting,
41 changing the grade, or altering the construction to provide
42 comparable replacement, without enhancement of facilities, after
43 deducting the net salvage value derived from the old facility.

1 (Acts 71st Leg., R.S., Ch. 199, Sec. 5.09.)

2 Source Law

3 Sec. 5.09. In exercising the power of eminent
4 domain, if the board requires relocating, raising,
5 lowering, rerouting, changing the grade, or altering
6 the construction of any railroad, highway, pipeline,
7 or electric transmission and electric distribution,
8 telegraph, or telephone lines, conduits, poles, or
9 facilities, the district must bear the actual cost of
10 relocating, raising, lowering, rerouting, changing
11 the grade, or altering the construction to provide
12 comparable replacement without enhancement of
13 facilities, after deducting the net salvage value
14 derived from the old facility.

15 Revised Law

16 Sec. 1091.108. GIFTS AND ENDOWMENTS. The board may accept
17 for the district a gift or endowment to be held in trust for any
18 purpose and under any direction, limitation, or other provision
19 prescribed in writing by the donor that is consistent with the
20 proper management of the district. (Acts 71st Leg., R.S., Ch. 199,
21 Sec. 5.13.)

22 Source Law

23 Sec. 5.13. On behalf of the district, the board
24 may accept gifts and endowments to be held in trust for
25 any purpose and under any direction, limitation, or
26 provision prescribed in writing by the donor that is
27 consistent with the proper management of the district.

28 Revised Law

29 Sec. 1091.109. CONSTRUCTION CONTRACTS. (a) The board may
30 enter into construction contracts for the district.

31 (b) The board may enter into a construction contract that
32 involves the expenditure of more than the amount provided by
33 Section 271.024, Local Government Code, only after competitive
34 bidding as provided by Subchapter B, Chapter 271, Local Government
35 Code. (Acts 71st Leg., R.S., Ch. 199, Sec. 5.06(a).)

36 Source Law

37 Sec. 5.06. (a) The board may enter into
38 construction contracts on behalf of the district;
39 however, the board may enter into construction
40 contracts that involve spending more than \$10,000 only
41 after competitive bidding as provided by Subchapter B,
42 Chapter 271, Local Government Code.

43 Revisor's Note

44 (1) Section 5.06(a), Chapter 199, Acts of the

1 71st Legislature, Regular Session, 1989, provides that
2 the district may enter into construction contracts
3 that involve spending more than \$10,000 only after
4 competitive bidding as provided by Subchapter B,
5 Chapter 271, Local Government Code. The revised law
6 omits the reference to the \$10,000 amount as
7 superseded by Section 5, Chapter 115, Acts of the 77th
8 Legislature, Regular Session, 2001, which amended
9 Section 271.024, Local Government Code, to increase
10 the contract amount for which competitive bidding is
11 required to \$25,000.

12 (2) Section 5.06(b), Chapter 199, Acts of the
13 71st Legislature, Regular Session, 1989, provides that
14 Article 5160, Revised Statutes, applies to the
15 district's construction contracts in relation to
16 performance and payment bonds. The revised law omits
17 the provision because Article 5160 was codified as
18 Chapter 2253, Government Code, and that chapter
19 applies to hospital districts on its own terms. The
20 omitted law reads:

21 (b) Article 5160, Revised Statutes,
22 as it relates to performance and payment
23 bonds, applies to construction contracts
24 let by the district.

25 Revised Law

26 Sec. 1091.110. OPERATING AND MANAGEMENT CONTRACTS. The
27 board may enter into an operating or management contract for the
28 district relating to a hospital facility. (Acts 71st Leg., R.S.,
29 Ch. 199, Sec. 5.07.)

30 Source Law

31 Sec. 5.07. The board may enter into operating or
32 management contracts relating to hospital facilities
33 on behalf of the district.

34 Revised Law

35 Sec. 1091.111. CONTRACTS FOR SERVICES. (a) The board may
36 contract with a public or private hospital, a political subdivision
37 of this state, or a state or federal agency for the district to

1 provide a mobile emergency medical service or other health care
2 services needed to provide for the investigatory or welfare needs
3 of district inhabitants.

4 (b) The board may contract with any person to receive or
5 supply the services the board considers necessary for the effective
6 operation of the district. (Acts 71st Leg., R.S., Ch. 199, Sec.
7 5.12.)

8 Source Law

9 Sec. 5.12. (a) The board may contract with a
10 city, county, special district, public or private
11 hospital, or other political subdivision of the state
12 or with a state or federal agency for the district to
13 furnish a mobile emergency medical service or other
14 health care services needed to provide for the
15 investigatory or welfare needs of inhabitants of the
16 district.

17 (b) The board may contract with individuals,
18 governmental entities, private corporations,
19 associations, partnerships, cooperatives, and foreign
20 governments to receive or to supply the services the
21 board considers necessary for the effective operation
22 of the district.

23 Revisor's Note

24 (1) Section 5.12(a), Chapter 199, Acts of the
25 71st Legislature, Regular Session, 1989, refers to a
26 "city, county, special district, public or private
27 hospital, or other political subdivision of the
28 state." Throughout this chapter, the revised law
29 omits references to "city," "county," and "special
30 district" in this context because those terms are
31 included in the meaning of "political subdivision of
32 the state."

33 (2) Section 5.12(b), Chapter 199, Acts of the
34 71st Legislature, Regular Session, 1989, refers to
35 "individuals, governmental entities, private
36 corporations, associations, partnerships,
37 cooperatives, and foreign governments." The revised
38 law substitutes "any person" for the quoted language
39 because Section 311.005, Government Code (Code
40 Construction Act), applicable to the revised law,
41 defines "person" to include "corporation,

1 organization, government or governmental subdivision
2 or agency, business trust, estate, trust, partnership,
3 association, and any other legal entity."

4 Revised Law

5 Sec. 1091.112. PROVISION OF CERTAIN HEALTH SERVICES. The
6 district may:

7 (1) operate or provide for the operation of a mobile
8 emergency medical service; and

9 (2) operate or provide for home health services,
10 long-term care, skilled nursing care, intermediate nursing care,
11 hospice care, or any other reasonable or appropriate medical care
12 or medical services. (Acts 71st Leg., R.S., Ch. 199, Sec. 5.01
13 (part).)

14 Source Law

15 Sec. 5.01. . . . the district:

16 . . .
17 (3) may operate or provide for the
18 operation of a mobile emergency medical service; and

19 (4) may operate or provide for home health
20 services, long-term care, skilled nursing care,
21 intermediate nursing care, hospice care, or any other
22 reasonable or appropriate medical care or medical
23 services.

24 Revised Law

25 Sec. 1091.113. PAYMENT FOR TREATMENT; PROCEDURES. (a) If
26 an individual who resides in the district is admitted as a patient
27 to a district facility, the district administrator may have an
28 inquiry made into the financial circumstances of:

29 (1) the patient; and

30 (2) a relative of the patient who is legally
31 responsible for the patient's support.

32 (b) To the extent that the patient or a relative of the
33 patient who is legally responsible for the patient's support cannot
34 pay for care and treatment provided by the district, the district
35 shall supply the care and treatment without charging the patient or
36 the patient's relative.

37 (c) On determining that the patient or a relative legally
38 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
8 legally responsible for the patient's support in the manner
9 provided by law for the collection of expenses in the last illness
10 of a 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 only to a
18 district court in Colorado County. The substantial evidence rule
19 applies to the appeal. (Acts 71st Leg., R.S., Ch. 199, Secs.
20 5.10(b), (c), (d), (e), (f).)

21 Source Law

22 (b) If an individual residing in the district is
23 admitted as a patient to a facility of the district,
24 the administrator may have an inquiry made into the
25 patient's financial circumstances and into those of a
26 relative of the patient who is legally responsible for
27 the patient's support.

28 (c) On finding that the patient or a relative of
29 the patient legally responsible for the patient's
30 support can pay for all or any part of the care and
31 treatment provided by the district, the administrator
32 shall report that finding to the board, and the board
33 shall issue an order directing the patient or the
34 relative to pay the district each week a specified
35 amount based on the individual's ability to pay.

36 (d) The administrator may collect money owed to
37 the district from the estate of the patient or from
38 that of a relative who was legally responsible for the
39 patient's support in the manner provided by law for
40 collection of expenses in the last illness of a
41 deceased person.

42 (e) To the extent that a patient or a relative of
43 the patient legally responsible for the patient's
44 support cannot pay for care and treatment provided by
45 the district, the district shall supply that care and
46 treatment without charging the patient or the
47 patient's relative.

1 (f) If there is a dispute relating to an
2 individual's ability to pay or if the administrator has
3 any doubt concerning an individual's ability to pay,
4 the board shall call witnesses, hear and resolve the
5 question, and issue a final order. An appeal from a
6 final order of the board must be made to a district
7 court in the county in which the district is located,
8 and the substantial evidence rule applies.

9 Revisor's Note

10 (1) Section 5.10(a), Chapter 199, Acts of the
11 71st Legislature, Regular Session, 1989, requires the
12 district to adopt an application procedure for
13 assistance eligibility. The revised law omits the
14 provision because it duplicates provisions in Sections
15 61.053(a) and (b), Health and Safety Code, which apply
16 to the district and detail the application procedure.
17 The omitted law reads:

18 Sec. 5.10. (a) Not later than the
19 beginning of each operating year, the
20 district shall adopt an application
21 procedure to determine eligibility for
22 assistance, as provided by Section 10.03,
23 Indigent Health Care and Treatment Act
24 (Article 4438f, Vernon's Texas Civil
25 Statutes).

26 (2) Section 5.10(f), Chapter 199, Acts of the
27 71st Legislature, Regular Session, 1989, authorizes
28 the appeal of a final order to be made to the district
29 court "in the county in which the district is located."
30 The revised law substitutes "Colorado County" for the
31 quoted language because Colorado County is the county
32 in which the district is located.

33 Revised Law

34 Sec. 1091.114. REIMBURSEMENT FOR SERVICES. (a) The board
35 shall require a county, municipality, or public hospital located
36 outside the district to reimburse the district for the district's
37 care and treatment of a sick or injured person of that county,
38 municipality, or public hospital, as provided by Chapter 61, Health
39 and Safety Code.

40 (b) The board shall require the sheriff of Colorado County
41 or the police chief of the City of Eagle Lake, as applicable, to
42 reimburse the district for the district's care and treatment of a

1 person who is confined in a jail facility of Colorado County or the
2 City of Eagle Lake and is not a district resident.

3 (c) The board may contract with the state or federal
4 government for that government to reimburse the district for
5 treatment of a sick or injured person. (Acts 71st Leg., R.S., Ch.
6 199, Sec. 5.11.)

7 Source Law

8 Sec. 5.11. (a) The board shall require
9 reimbursement from a county, city, or public hospital
10 located outside the boundaries of the district for the
11 district's care and treatment of a sick, diseased, or
12 injured person of that county, city, or public
13 hospital as provided by the Indigent Health Care and
14 Treatment Act (Article 4438f, Vernon's Texas Civil
15 Statutes).

16 (b) The board shall require reimbursement from
17 the sheriff of Colorado County for the district's care
18 and treatment of a person confined in a jail facility
19 of Colorado County who is not a resident of the
20 district.

21 (c) The board shall require reimbursement from
22 the police chief of the City of Eagle Lake for the
23 district's care and treatment of a person confined in a
24 jail facility of the City of Eagle Lake who is not a
25 resident of the district.

26 (d) The board may contract with the state or
27 federal government for the state or federal government
28 to reimburse the district for treatment of a sick,
29 diseased, or injured person.

30 Revisor's Note

31 (1) Section 5.11(a), Chapter 199, Acts of the
32 71st Legislature, Regular Session, 1989, refers to a
33 "city." The revised law substitutes "municipality"
34 for "city" because that is the term used in the Local
35 Government Code.

36 (2) Sections 5.11(a) and (d), Chapter 199, Acts
37 of the 71st Legislature, Regular Session, 1989, refer
38 to a "sick, diseased, or injured person." The revised
39 law omits the references to "diseased" because
40 "diseased" is included in the meaning of "sick."

41 (3) Section 5.11(a), Chapter 199, Acts of the
42 71st Legislature, Regular Session, 1989, refers to the
43 Indigent Health Care and Treatment Act (Article 4438f,
44 Vernon's Texas Civil Statutes). That statute was
45 codified in 1989 as Chapter 61, Health and Safety Code.

1 The revised law is drafted accordingly.

2 Revised Law

3 Sec. 1091.115. AUTHORITY TO SUE AND BE SUED. The board may
4 sue and be sued on behalf of the district. (Acts 71st Leg., R.S.,
5 Ch. 199, Sec. 5.14.)

6 Source Law

7 Sec. 5.14. The board may sue and be sued on
8 behalf of the district.

9 [Sections 1091.116-1091.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Revised Law

12 Sec. 1091.151. 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 to the credit of each
18 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 to be required. (Acts 71st
28 Leg., R.S., Ch. 199, Sec. 6.04.)

29 Source Law

30 Sec. 6.04. (a) The administrator of the
31 district shall prepare a proposed annual budget for
32 the district.

33 (b) The proposed budget must contain a complete
34 financial statement, including a statement of:

35 (1) the outstanding obligations of the
36 district;

37 (2) the amount of cash on hand to the
38 credit of each fund of the district;

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

1 (4) the amount of money available to the
2 district from all sources during the ensuing year;
3 (5) the amount of the balances expected at
4 the end of the year in which the budget is being
5 prepared;
6 (6) the estimated amount of revenues and
7 balances available to cover the proposed budget; and
8 (7) the estimated tax rate that will be
9 required.

10 Revised Law

11 Sec. 1091.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
12 The board shall hold a public hearing on the proposed annual budget.

13 (b) Not later than the 10th day before the date of the
14 hearing the board shall publish notice of the hearing in a newspaper
15 of general circulation in the district.

16 (c) Any district resident is entitled to be present and
17 participate at the hearing.

18 (d) At the conclusion of the hearing, the board shall adopt
19 a budget by acting on the budget proposed by the district
20 administrator. The board may make any changes in the proposed
21 budget that the board judges to be in the interests of the
22 taxpayers.

23 (e) The budget is effective only after adoption by the
24 board. (Acts 71st Leg., R.S., Ch. 199, Sec. 6.05.)

25 Source Law

26 Sec. 6.05. (a) The board shall hold a public
27 hearing on the proposed annual budget.

28 (b) The board shall publish notice of the
29 hearing in a newspaper of general circulation in the
30 district not later than the 10th day before the date of
31 the hearing.

32 (c) Any resident of the district is entitled to
33 be present and participate in the hearing.

34 (d) At the conclusion of the hearing, the board
35 shall adopt a budget by acting on the budget proposed
36 by the administrator. The board may make any changes
37 in the proposed budget that in its judgment the
38 interests of the taxpayers demand.

39 (e) The budget is effective only after adoption
40 by the board.

41 Revised Law

42 Sec. 1091.153. AMENDMENTS TO BUDGET. After the annual
43 budget is adopted, the budget may be amended on the board's
44 approval. (Acts 71st Leg., R.S., Ch. 199, Sec. 6.06.)

45 Source Law

46 Sec. 6.06. After adoption, the annual budget

1 may be amended on the board's approval.

2 Revised Law

3 Sec. 1091.154. FISCAL YEAR. (a) The district operates
4 according to a fiscal year established by the board.

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

6 (1) during a period that revenue bonds of the district
7 are outstanding; or

8 (2) more than once in a 24-month period. (Acts 71st
9 Leg., R.S., Ch. 199, Sec. 6.01.)

10 Source Law

11 Sec. 6.01. (a) The district operates on a
12 fiscal year established by the board.

13 (b) The fiscal year may not be changed when
14 revenue bonds of the district are outstanding or more
15 than once in a 24-month period.

16 Revised Law

17 Sec. 1091.155. ANNUAL AUDIT. The board annually shall have
18 an audit made of the district's financial condition. (Acts 71st
19 Leg., R.S., Ch. 199, Sec. 6.02.)

20 Source Law

21 Sec. 6.02. Annually, the board shall have an
22 audit made of the financial condition of the district.

23 Revised Law

24 Sec. 1091.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT
25 RECORDS. The annual audit and other district records are open to
26 inspection during regular business hours at the district's
27 principal office. (Acts 71st Leg., R.S., Ch. 199, Sec. 6.03.)

28 Source Law

29 Sec. 6.03. The annual audit and other district
30 records are open to inspection during regular business
31 hours at the principal office of the district.

32 Revised Law

33 Sec. 1091.157. FINANCIAL REPORT. As soon as practicable
34 after the close of the fiscal year, the district administrator
35 shall prepare for the board:

36 (1) a sworn statement of the amount of district money;
37 and

38 (2) an account of the disbursements of that money.

1 (Acts 71st Leg., R.S., Ch. 199, Sec. 6.08.)

2 Source Law

3 Sec. 6.08. As soon as practicable after the
4 close of the fiscal year, the administrator shall
5 prepare for the board a sworn statement of the amount
6 of money that belongs to the district and an account of
7 the disbursements of that money.

8 Revised Law

9 Sec. 1091.158. SHORT-TERM FINANCING. The district may
10 borrow money through short-term financing. (Acts 71st Leg., R.S.,
11 Ch. 199, Sec. 6.07.)

12 Source Law

13 Sec. 6.07. Money may be borrowed through
14 short-term financing.

15 Revised Law

16 Sec. 1091.159. 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 1091.160(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
28 or other security in an amount sufficient to secure from loss the
29 district money that exceeds the amount secured by the Federal
30 Deposit Insurance Corporation. (Acts 71st Leg., R.S., Ch. 199,
31 Sec. 6.10.)

32 Source Law

33 Sec. 6.10. (a) The board shall name at least
34 one bank to serve as depository for district funds.

35 (b) District funds, other than those invested as
36 provided by Subsection (b) of Section 6.09 of this Act
37 and those transmitted to a bank of payment for bonds or
38 obligations issued or assumed by the district, shall
39 be deposited as received with the depository bank and
40 must remain on deposit. This subsection does not limit
41 the power of the board to place a portion of district

1 funds on time deposit or to purchase certificates of
2 deposit.

3 (c) Before the district deposits funds in a bank
4 in an amount that exceeds the maximum amount secured by
5 the Federal Deposit Insurance Corporation, the bank
6 must execute a bond or other security in an amount
7 sufficient to secure from loss the district funds that
8 exceed the amount secured by the Federal Deposit
9 Insurance Corporation.

10 Revised Law

11 Sec. 1091.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
12 Except as provided by Sections 1091.109, 1091.201, 1091.204, and
13 1091.205, the district may not incur a debt payable from district
14 revenue other than the revenue on hand or to be on hand in the
15 current fiscal year and the immediately following fiscal year of
16 the district.

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 71st Leg., R.S., Ch. 199, Sec. 6.09.)

20 Source Law

21 Sec. 6.09. (a) Except as provided by Subsection
22 (a) of Section 5.06 and Sections 7.01, 7.04, and 7.05
23 of this Act, the district may not incur a debt payable
24 from revenues of the district other than the revenues
25 on hand or to be on hand in the current and immediately
26 following fiscal year of the district.

27 (b) The board may invest operating,
28 depreciation, or building reserves only in funds or
29 securities specified by Article 836 or 837, Revised
30 Statutes.

31 Revisor's Note

32 Section 6.09(b), Chapter 199, Acts of the 71st
33 Legislature, Regular Session, 1989, refers to Articles
34 836 and 837, Revised Statutes. Those articles were
35 impliedly repealed by the enactment of the Public
36 Funds Investment Act of 1987 (Article 842a-2, Vernon's
37 Texas Civil Statutes), which was revised in 1993 as
38 Chapter 2256, Government Code. Chapter 2256 defines
39 "local government" to include hospital districts and
40 applies to the district by its own terms. The revised
41 law therefore substitutes a reference to Chapter 2256,
42 Government Code, for the reference to Articles 836 and
43 837.

1 [Sections 1091.161-1091.200 reserved for expansion]

2 SUBCHAPTER E. BONDS

3 Revised Law

4 Sec. 1091.201. GENERAL OBLIGATION BONDS. If authorized by
5 an election, the board may issue and sell general obligation bonds
6 in the name and on the faith and credit of the district to:

7 (1) purchase, construct, acquire, repair, or renovate
8 buildings or improvements;

9 (2) equip buildings or improvements for hospital
10 purposes; or

11 (3) acquire and operate a mobile emergency medical
12 service. (Acts 71st Leg., R.S., Ch. 199, Sec. 7.01.)

13 Source Law

14 Sec. 7.01. The board may issue and sell bonds
15 authorized by an election in the name and on the faith
16 and credit of the hospital district to:

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

19 (2) equip buildings or improvements for
20 hospital purposes; or

21 (3) acquire and operate a mobile emergency
22 medical service.

23 Revisor's Note

24 Section 7.01, Chapter 199, Acts of the 71st
25 Legislature, Regular Session, 1989, provides that the
26 board may issue and sell bonds in the name and on the
27 faith and credit of the district. Because the type of
28 bonds described by Section 7.01 are known as "general
29 obligation bonds," the revised law is drafted
30 accordingly.

31 Revised Law

32 Sec. 1091.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
33 the time general obligation bonds are issued by the district under
34 Section 1091.201, the board shall impose an ad valorem tax at a rate
35 sufficient to create an interest and sinking fund to pay the
36 principal of and interest on the bonds as the bonds mature.

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

1 limit approved by the voters at the election authorizing the
2 imposition of the tax. (Acts 71st Leg., R.S., Ch. 199, Sec. 7.02.)

3 Source Law

4 Sec. 7.02. (a) At the time the bonds are issued
5 by the district, the board shall levy a tax.

6 (b) The tax must be sufficient to create an
7 interest and sinking fund to pay the principal of and
8 interest on the bonds as they mature.

9 (c) In any year, the tax together with any other
10 tax the district levies may not exceed the limit
11 approved by the voters at the election authorizing the
12 levy of taxes.

13 Revisor's Note

14 Section 7.02, Chapter 199, Acts of the 71st
15 Legislature, Regular Session, 1989, requires the
16 district to levy a tax to pay the principal of and
17 interest on bonds. The revised law specifies that the
18 tax is an "ad valorem" tax because it is clear from the
19 source law that the tax is a property tax and "ad
20 valorem" is the term most commonly used to refer to a
21 property tax. In addition, throughout this chapter,
22 the revised law substitutes "impose" for "levy"
23 because, in this context, the terms are synonymous and
24 the former is more commonly used.

25 Revised Law

26 Sec. 1091.203. GENERAL OBLIGATION BOND ELECTION. (a) The
27 district may issue general obligation bonds only if the bonds are
28 authorized by a majority of the district voters voting at an
29 election held for that purpose.

30 (b) The board may order a bond election. The order calling
31 the election must specify:

- 32 (1) the nature and date of the election;
33 (2) the hours during which the polls will be open;
34 (3) the location of the polling places;
35 (4) the amount of the bonds to be authorized; and
36 (5) the maximum maturity of the bonds.

37 (c) Notice of a bond election shall be given as provided by
38 Section 1251.003, Government Code.

1 (d) The board shall declare the results of the election.
2 (Acts 71st Leg., R.S., Ch. 199, Sec. 7.03.)

3 Source Law

4 Sec. 7.03. (a) The district may issue general
5 obligation bonds only if the bonds are authorized by a
6 majority of the qualified voters of the district
7 voting at an election called and held for that purpose.

8 (b) The board may order a bond election. The
9 order calling the election must state the nature and
10 date of the election, the hours during which the polls
11 will be open, the location of the polling places, the
12 amount of bonds to be authorized, and the maximum
13 maturity of the bonds.

14 (c) Notice of a bond election shall be given as
15 provided by Article 704, Revised Statutes.

16 (d) The board shall canvass the returns and
17 declare the results of the election.

18 Revisor's Note

19 (1) Section 7.03(a), Chapter 199, Acts of the
20 71st Legislature, Regular Session, 1989, refers to a
21 majority vote of the "qualified" voters of the
22 district. The revised law omits "qualified" as
23 unnecessary in this context because Chapter 11,
24 Election Code, governs eligibility to vote in an
25 election in this state and allows only "qualified"
26 voters who are residents of the territory covered by
27 the election to vote in an election.

28 (2) Section 7.03(a), Chapter 199, Acts of the
29 71st Legislature, Regular Session, 1989, refers to an
30 election "called and held." Throughout this chapter,
31 the revised law omits references to "calling" an
32 election because, in this context, "calling" an
33 election is included in the meaning of "holding" an
34 election. Under Chapter 3, Election Code, all
35 elections must be ordered (called) before they may be
36 held.

37 (3) Section 7.03(c), Chapter 199, Acts of the
38 71st Legislature, Regular Session, 1989, refers to
39 Article 704, Revised Statutes, which specifies certain
40 notice requirements for a bond election. That
41 provision was codified in 1999 as Section 1251.003,

1 Government Code. The revised law is drafted
2 accordingly.

3 (4) Section 7.03(d), Chapter 199, Acts of the
4 71st Legislature, Regular Session, 1989, provides that
5 "[t]he board shall canvass the returns" of a bond
6 election. The revised law omits this requirement
7 because it duplicates Section 67.002, Election Code,
8 which requires the governing body of a political
9 subdivision that orders an election to canvass the
10 returns.

11 Revised Law

12 Sec. 1091.204. REVENUE BONDS. (a) The board may issue
13 revenue bonds to:

14 (1) purchase, construct, acquire, repair, equip, or
15 renovate buildings or improvements for hospital purposes;

16 (2) acquire sites to be used for hospital purposes; or

17 (3) acquire and operate a mobile emergency medical
18 service to assist the district in carrying out its hospital
19 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 hospital system.

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 provided by
26 Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049,
27 Health and Safety Code, for issuance of revenue bonds by a county
28 hospital authority. (Acts 71st Leg., R.S., Ch. 199, Sec. 7.04.)

29 Source Law

30 Sec. 7.04. (a) The board may issue revenue
31 bonds to:

32 (1) purchase, construct, acquire, repair,
33 equip, or renovate buildings or improvements for
34 hospital purposes;

35 (2) acquire sites to be used for hospital
36 purposes; or

37 (3) acquire and operate a mobile emergency
38 medical service to assist the district in carrying out
39 its hospital purposes.

1 (b) The bonds must be payable from and secured
2 by a pledge of all or part of the revenues derived from
3 the operation of the district's hospital system. The
4 bonds may be additionally secured by a mortgage or deed
5 of trust lien on all or part of district property.

6 (c) The bonds must be issued in the manner
7 provided by Sections 8, 10, 11, 12, and 13, County
8 Hospital Authority Act (Article 4494r, Vernon's Texas
9 Civil Statutes), for issuance of revenue bonds by
10 county hospital authorities.

11 Revisor's Note

12 Section 7.04(c), Chapter 199, Acts of the 71st
13 Legislature, Regular Session, 1989, refers to Sections
14 8, 10, 11, 12, and 13, County Hospital Authority Act
15 (Article 4494r, Vernon's Texas Civil Statutes). Those
16 provisions were codified in 1989 as Sections 264.042,
17 264.043, 264.046, 264.047, 264.048, and 264.049,
18 Health and Safety Code. The revised law is drafted
19 accordingly.

20 Revised Law

21 Sec. 1091.205. REFUNDING BONDS. (a) The board may issue
22 refunding bonds to refund outstanding indebtedness issued or
23 assumed by the district.

24 (b) Refunding bonds may be:

25 (1) sold, with the proceeds of the refunding bonds
26 applied to the payment of the outstanding indebtedness; or

27 (2) exchanged wholly or partly for not less than a
28 similar principal amount of outstanding indebtedness. (Acts 71st
29 Leg., R.S., Ch. 199, Secs. 7.05(a), (c) (part).)

30 Source Law

31 Sec. 7.05. (a) Refunding bonds of the district
32 may be issued to refund and pay off an outstanding
33 indebtedness the district has issued or assumed.

34 (c) The refunding bonds may be sold and the
35 proceeds applied to the payment of outstanding
36 indebtedness or may be exchanged in whole or in part
37 for not less than a similar principal amount of
38 outstanding indebtedness. . . .

39 Revisor's Note

40 Sections 7.05(b) and (c), Chapter 199, Acts of
41 the 71st Legislature, Regular Session, 1989, require
42 the district to issue refunding bonds in the manner

1 prescribed by Article 717k-3 (Vernon's Texas Civil
2 Statutes), and, for refunding bonds that will be sold,
3 to issue the bonds and to make payments on the bonds in
4 the manner prescribed by Article 717k (Vernon's Texas
5 Civil Statutes). Articles 717k and 717k-3 were
6 codified in 1999 as Chapter 1207, Government Code. The
7 revised law omits the provisions because Chapter 1207,
8 Government Code, applies to the district by its own
9 terms under Section 1207.001, Government Code. The
10 omitted law reads:

11 (b) The bonds must be issued in the
12 manner provided by Chapter 784, Acts of the
13 61st Legislature, Regular Session, 1969
14 (Article 717k-3, Vernon's Texas Civil
15 Statutes).

16 (c) . . . If the refunding bonds are
17 to be sold and the proceeds applied to the
18 payment of outstanding indebtedness, the
19 refunding bonds must be issued and payments
20 made in the manner provided by Chapter 503,
21 Acts of the 54th Legislature, Regular
22 Session, 1955 (Article 717k, Vernon's Texas
23 Civil Statutes).

24 Revised Law

25 Sec. 1091.206. 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. 199, Sec. 7.06 (part).)

28 Source Law

29 Sec. 7.06. District bonds must mature not more
30 than 50 years after the date of their issuance and
31

32 Revisor's Note

33 Section 7.06, Chapter 199, Acts of the 71st
34 Legislature, Regular Session, 1989, provides that
35 district bonds must bear interest at a rate that does
36 not exceed the rate provided by Chapter 3, Acts of the
37 61st Legislature, Regular Session, 1969 (Article
38 717k-2, Vernon's Texas Civil Statutes). The revised
39 law omits that provision because the maximum interest
40 rate noted in Chapter 3 was revised in 1999 as Section
41 1204.006, Government Code, and Section 1204.006

1 applies to the district by its terms under Section
2 1204.001, Government Code. The omitted law reads:

3 Sec. 7.06. [District bonds] . . .
4 must bear interest at a rate not to exceed
5 that provided by Chapter 3, Acts of the 61st
6 Legislature, Regular Session, 1969 (Article
7 717k-2, Vernon's Texas Civil Statutes).

8 Revised Law

9 Sec. 1091.207. 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. 199, Sec. 7.07.)

14 Source Law

15 Sec. 7.07. The president of the board shall
16 execute the bonds in the name of the district, and the
17 secretary of the board shall countersign the bonds in
18 the manner provided by the Texas Uniform Facsimile
19 Signature of Public Officials Act (Article 717j-1,
20 Vernon's Texas Civil Statutes).

21 Revisor's Note

22 Section 7.07, Chapter 199, Acts of the 71st
23 Legislature, Regular Session, 1989, refers to the
24 Texas Uniform Facsimile Signature of Public Officials
25 Act (Article 717j-1, Vernon's Texas Civil Statutes).
26 That statute was codified in 1999 as Chapter 618,
27 Government Code, and the revised law is drafted
28 accordingly.

29 Revised Law

30 Sec. 1091.208. BONDS EXEMPT FROM TAXATION. The following
31 are exempt from taxation by this state or a political subdivision of
32 this state:

- 33 (1) bonds issued by the district;
34 (2) any transaction relating to the bonds; and
35 (3) profits made in the sale of the bonds. (Acts 71st
36 Leg., R.S., Ch. 199, Sec. 7.11 (part).)

37 Source Law

38 Sec. 7.11. . . . bonds issued by the district,
39 any transaction relating to the bonds, and profits
40 made in the sale of the bonds are free from taxation by

1 the state or by any city, county, special district, or
2 other political subdivision of the state.

3 Revisor's Note
4 (End of Subchapter)

5 (1) Section 7.08, Chapter 199, Acts of the 71st
6 Legislature, Regular Session, 1989, provides that
7 district bonds are subject to the laws governing
8 counties that relate to bond approval by the attorney
9 general and registration of the bonds by the
10 comptroller. Section 7.08 also states that after
11 approval and registration the bonds are "incontestable
12 for any cause." The revised law omits these provisions
13 because they duplicate, in substance, Chapter 1202,
14 Government Code. Section 1202.003(a), Government
15 Code, requires that bonds be submitted to the attorney
16 general. Section 1202.003(b), Government Code,
17 provides for approval of the bonds by the attorney
18 general and requires the attorney general to submit
19 the approved bonds to the comptroller for
20 registration. Section 1202.005, Government Code,
21 requires registration of the bonds by the comptroller.
22 Section 1202.006, Government Code, provides that after
23 approval and registration the bonds are incontestable
24 and binding obligations. Chapter 1202, Government
25 Code, applies to district bonds by application of
26 Section 1202.001, Government Code. The omitted law
27 reads:

28 Sec. 7.08. (a) District bonds are
29 subject to the same requirements with
30 regard to approval by the attorney general
31 and registration by the comptroller of
32 public accounts as the law provides for
33 approval and registration of bonds issued
34 by counties.

35 (b) On approval by the attorney
36 general and registration by the comptroller
37 of public accounts, the bonds are
38 incontestable for any cause.

39 (2) Section 7.09, Chapter 199, Acts of the 71st
40 Legislature, Regular Session, 1989, provides that
41 district bonds are legal and authorized investments

1 for certain entities. The revised law omits the
2 provision as unnecessary. As to several of the
3 entities listed, Section 7.09 has been superseded and
4 impliedly repealed or it duplicates existing law.
5 Investments in securities by banks are regulated by
6 Section 34.101, Finance Code (enacted in 1995 as
7 Section 5.101, Texas Banking Act (Article 342-5.101,
8 Vernon's Texas Civil Statutes)). Investments in
9 securities by savings banks are regulated by Section
10 93.001(c)(10), Finance Code (enacted in 1993 as
11 Section 7.15(10), Texas Savings Bank Act (Article
12 489e, Vernon's Texas Civil Statutes)). Investments in
13 securities by trust companies are regulated by Section
14 184.101, Finance Code (enacted in 1997 as Section
15 5.101, Texas Trust Company Act (Article 342a-5.101,
16 Vernon's Texas Civil Statutes)). Investments in
17 securities by savings and loan associations are
18 regulated by Sections 63.002 and 64.001, Finance Code.
19 As to the remaining entities listed, Section 7.09
20 duplicates Section 1201.041, Government Code, enacted
21 as Section 9, Bond Procedures Act of 1981 (Article
22 717k-6, Vernon's Texas Civil Statutes). While Section
23 7.09 lists "guardians" and Section 1201.041 does not,
24 the latter statute includes "fiduciaries," and a
25 guardian is a fiduciary. Section 1201.041, Government
26 Code, applies to district bonds by application of
27 Section 1201.002, Government Code. The revised law
28 omits the reference to public funds of this state
29 because it has been superseded by Section 404.024,
30 Government Code (enacted in 1985 as Section 2.014,
31 Treasury Act (Article 4393-1, Vernon's Texas Civil
32 Statutes), and last amended in 2007), which governs
33 the investment of state funds. Section
34 404.024(b)(10), Government Code, authorizes the

1 investment of state funds in obligations of political
2 subdivisions, including hospital districts. The
3 omitted law reads:

4 Sec. 7.09. District bonds and
5 indebtedness assumed by the district are
6 legal and authorized investments for:

- 7 (1) banks;
8 (2) savings banks;
9 (3) trust companies;
10 (4) savings and loan
11 associations;
12 (5) insurance companies;
13 (6) fiduciaries;
14 (7) trustees;
15 (8) guardians; and
16 (9) sinking funds of cities,
17 counties, school districts, and other
18 political subdivisions of the state and
19 other public funds of the state and its
20 agencies, including the permanent school
21 fund.

22 (3) Section 7.10, Chapter 199, Acts of the 71st
23 Legislature, Regular Session, 1989, provides that
24 district bonds may secure deposits of public funds of
25 this state or political subdivisions of this state.
26 The revised law omits the provisions relating to
27 deposits of state funds by the comptroller as
28 impliedly repealed by Section 404.0221, Government
29 Code (enacted in 1995), which lists eligible
30 collateral for deposits of state funds by the
31 comptroller. As to deposits of other funds, this
32 provision duplicates Chapter 2257, Government Code,
33 which governs eligible collateral for deposits of
34 funds of other public agencies, including political
35 subdivisions, and permits those deposits to be secured
36 by obligations issued by hospital districts. The
37 omitted law reads:

38 Sec. 7.10. District bonds are
39 eligible to secure deposits of public funds
40 of the state and of cities, counties, school
41 districts, and other political subdivisions
42 of the state. The bonds are lawful and
43 sufficient security for deposits to the
44 extent of their value if accompanied by all
45 unmatured coupons.

46 [Sections 1091.209-1091.250 reserved for expansion]

1 SUBCHAPTER F. TAXES

2 Revised Law

3 Sec. 1091.251. IMPOSITION OF AD VALOREM TAX. (a) The board
4 may impose a tax on all property in the district subject to district
5 taxation.

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

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

9 (2) the maintenance and operating expenses of the
10 district. (Acts 71st Leg., R.S., Ch. 199, Secs. 8.01(a) (part),
11 (c), 8.02(b).)

12 Source Law

13 Sec. 8.01. (a) The board may annually levy
14 taxes. . . .

15 (c) The taxes may be used to pay:

16 (1) the indebtedness issued or assumed by
17 the district; and

18 (2) the maintenance and operating expenses
19 of the district.

20 [Sec. 8.02]

21 (b) The board shall levy taxes on all property
22 in the district subject to hospital district taxation.

23 Revised Law

24 Sec. 1091.252. 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
28 each \$100 valuation of all taxable property in the district.

29 (c) In setting the tax rate, the board shall consider the
30 income of the district from sources other than taxation. (Acts 71st
31 Leg., R.S., Ch. 199, Secs. 8.01(a) (part), (b), 8.03 (part).)

32 Source Law

33 Sec. 8.01. (a) [The board may annually levy
34 taxes] in an amount not to exceed the limit approved by
35 the voters at the election authorizing the levy of
36 taxes.

37 (b) The tax rate for all purposes may not exceed
38 75 cents on each \$100 valuation of all taxable property
39 in the district.

40 Sec. 8.03. In setting the tax rate, the board
41 shall take into consideration the income of the
42 district from sources other than taxation. . . .

1 Revisor's Note

2 Section 8.03, Chapter 199, Acts of the 71st
3 Legislature, Regular Session, 1989, requires the board
4 to levy the tax and to certify the tax rate to the tax
5 assessor-collector. The revised law omits that
6 provision because Section 26.05(a), Tax Code, requires
7 the governing body of a taxing unit to adopt a tax rate
8 for the current tax year and to notify the tax assessor
9 of that rate. The omitted law reads:

10 Sec. 8.03. . . . On determination of
11 the amount of tax required to be levied, the
12 board shall make the levy and certify it to
13 the tax assessor-collector.

14 Revised Law

15 Sec. 1091.253. 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. 199, Sec.
19 8.04(b).)

20 Source Law

21 (b) The board may provide for the appointment of
22 a tax assessor-collector for the district or may
23 contract for the assessment and collection of taxes as
24 provided by the Tax Code.

25 Revisor's Note
26 (End of Subchapter)

27 (1) Sections 8.02(a) and (c), Chapter 199, Acts
28 of the 71st Legislature, Regular Session, 1989,
29 provide respectively that the district may impose
30 taxes for the entire year in which the district is
31 created and that Section 26.12(d), Tax Code, does not
32 apply to the district. The revised law omits those
33 provisions as executed. The omitted law reads:

34 Sec. 8.02. (a) The board may levy
35 taxes for the entire year in which the
36 district is created.

37 (c) Subsection (d), Section 26.12,
38 Tax Code, does not apply to the district. If
39 the district is created after June 30, the
40 district may impose taxes as provided by the
41 Tax Code as if the district had existed on

1 January 1 of the year in which it is
2 created.

3 (2) Section 8.04(a), Chapter 199, Acts of the
4 71st Legislature, Regular Session, 1989, provides that
5 the Tax Code governs the appraisal, assessment, and
6 collection of district taxes. The revised law omits
7 this provision as unnecessary because Title 1, Tax
8 Code, governs the appraisal of property for and the
9 assessment and collection of ad valorem taxes by all
10 taxing units in this state, including hospital
11 districts. See Section 1.02, Tax Code. The omitted
12 law reads:

13 Sec. 8.04. (a) The Tax Code governs
14 the appraisal, assessment, and collection
15 of district taxes.

16 [Sections 1091.254-1091.300 reserved for expansion]

17 SUBCHAPTER G. DISSOLUTION

18 Revised Law

19 Sec. 1091.301. DISSOLUTION; ELECTION. (a) The district
20 may be dissolved and the district's assets and liabilities sold or
21 transferred to another person only on approval of a majority of the
22 district voters voting in an election held for that purpose.

23 (b) A majority of the directors of the district may order an
24 election on the question of dissolution of the district and the
25 transfer of the district's assets and liabilities.

26 (c) The board shall order an election under this section if
27 the board receives a petition requesting an election that is signed
28 by at least 300 registered district voters according to the most
29 recent official list of registered voters. The board shall call the
30 election not later than the 60th day after the date the petition is
31 presented to the district.

32 (d) An order calling an election under this section must
33 state:

34 (1) the nature of the election, including the
35 proposition to appear on the ballot;

36 (2) the date of the election;

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

2 (4) the location of the polling places.

3 (e) Section 41.001(a), Election Code, does not apply to an
4 election ordered under this section. (Acts 71st Leg., R.S., Ch.
5 199, Secs. 9.01, 9.02, 9.03, 9.05(b).)

6 Source Law

7 Sec. 9.01. The district may be dissolved and its
8 assets and liabilities sold or transferred to another
9 entity or person only if the dissolution and the
10 transfer are approved by a majority of the qualified
11 voters of the territory of the district voting at an
12 election called and held for that purpose.

13 Sec. 9.02. (a) A majority of the directors of
14 the district may order an election on the question of
15 dissolution of the district and transfer of its assets
16 and liabilities to be held.

17 (b) On presentation of a petition for a
18 dissolution election signed by at least 300 of the
19 registered voters of the territory of the proposed
20 district, according to the most recent official list
21 of registered voters, the directors shall order an
22 election on the question of dissolution of the
23 district and transfer of its assets and liabilities to
24 be held. The election shall be called not later than
25 the 60th day after the date the petition is presented
26 to the district.

27 Sec. 9.03. The order calling the election must
28 state:

29 (1) the nature of the election, including
30 the proposition that is to appear on the ballot;

31 (2) the date of the election;

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

34 (4) the location of the polling places.

35 [Sec. 9.05]

36 (b) Subsection (a), Section 41.001, Election
37 Code, does not apply to an election ordered under this
38 article.

39 Revisor's Note

40 (1) Section 9.01, Chapter 199, Acts of the 71st
41 Legislature, Regular Session, 1989, refers to "another
42 entity or person." Throughout this chapter, the
43 revised law omits "entity" because in this context
44 "entity" is included in the meaning of "person" under
45 Section 311.005(2), Government Code (Code
46 Construction Act).

47 (2) Section 9.01, Chapter 199, Acts of the 71st
48 Legislature, Regular Session, 1989, provides for
49 dissolution of the district if approved by a majority

1 of the "qualified" voters of the district. The revised
2 law omits "qualified" for the reason stated in
3 Revisor's Note (1) to Section 1091.203.

4 (3) Section 9.02(b), Chapter 199, Acts of the
5 71st Legislature, Regular Session, 1989, refers to the
6 registered voters of the "proposed" district.
7 Throughout this subchapter, the revised law omits
8 "proposed" as executed because the district has been
9 created.

10 (4) Section 9.05(a), Chapter 199, Acts of the
11 71st Legislature, Regular Session, 1989, states that
12 the election must be held not less than 45 nor more
13 than 60 days after the date the election is ordered.
14 The revised law omits the provision as superseded by
15 Section 3.005, Election Code, applicable to the
16 district under Section 1.002, Election Code. Section
17 3.005, as amended by Chapter 925, Acts of the 78th
18 Legislature, Regular Session, 2003, requires an
19 election order issued by the authority of a political
20 subdivision to be issued not later than the 62nd day
21 before election day and provides that Section 3.005
22 supersedes a law outside the Election Code to the
23 extent of any conflict. The omitted law reads:

24 Sec. 9.05. (a) The election shall be
25 held not less than 45 days nor more than 60
26 days after the date on which the election is
27 ordered.

28 Revised Law

29 Sec. 1091.302. NOTICE OF ELECTION. (a) The board shall
30 give notice of an election under this subchapter by publishing once
31 a week for two consecutive weeks a substantial copy of the election
32 order in a newspaper with general circulation in the district.

33 (b) The first publication of the notice must appear at least
34 35 days before the date set for the election. (Acts 71st Leg.,
35 R.S., Ch. 199, Sec. 9.04.)

1 Source Law

2 Sec. 9.04. The directors shall give notice of
3 the election by publishing a substantial copy of the
4 election order in a newspaper with general circulation
5 in the proposed district once a week for two
6 consecutive weeks. The first publication must appear
7 at least 35 days before the date set for the election.

8 Revised Law

9 Sec. 1091.303. BALLOT. The ballot for an election under
10 this subchapter must be printed to permit voting for or against the
11 proposition: "The dissolution of the Rice Hospital District and
12 the sale or transfer of its assets and liabilities in the following
13 manner: _____ (insert provisions for transfer)." (Acts
14 71st Leg., R.S., Ch. 199, Sec. 9.06.)

15 Source Law

16 Sec. 9.06. The ballot for an election at which
17 dissolution of the district is proposed shall be
18 printed to permit voting for or against the
19 proposition: "The dissolution of the Rice Hospital
20 District and the sale or transfer of its assets and
21 liabilities in the following manner: _____
22 (insert provisions for transfer)."

23 Revised Law

24 Sec. 1091.304. ELECTION RESULTS. (a) If the board finds
25 that the election results favor the proposition to dissolve the
26 district, the board shall:

27 (1) issue an order declaring the district dissolved;

28 and

29 (2) proceed with the sale or transfer of the district's
30 assets and liabilities according to the plan proposed on the
31 ballot.

32 (b) If the board finds that the election results do not
33 favor the proposition to dissolve the district, another dissolution
34 election may not be held before the first anniversary of the date of
35 the election in which the voters disapproved the proposition.
36 (Acts 71st Leg., R.S., Ch. 199, Secs. 9.07(b), (c).)

37 Source Law

38 (b) If the directors find that the election
39 results are favorable to the proposition to dissolve
40 the district and transfer its assets and liabilities,
41 they shall issue an order declaring the district
42 dissolved and shall proceed with the sale or transfer

1 of its assets and liabilities according to the plan
2 proposed on the ballot.

3 (c) If the directors find that the election
4 results are not favorable to the proposition to
5 dissolve the district and transfer its assets and
6 liabilities, another dissolution election may not be
7 held within 12 months after the date of the election at
8 which voters disapproved the proposition.

9 Revisor's Note

10 Section 9.07(a), Chapter 199, Acts of the 71st
11 Legislature, Regular Session, 1989, requires the board
12 to canvass the election returns. The revised law omits
13 this requirement for the reason stated in Revisor's
14 Note (4) to Section 1091.203. The omitted law reads:

15 Sec. 9.07. (a) The directors of the
16 district shall canvass the returns of the
17 election.

18 Revised Law

19 Sec. 1091.305. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

20 (a) Notwithstanding any other provision of this subchapter, the
21 district may not be dissolved unless the board provides for the sale
22 or transfer of the district's assets and liabilities to another
23 person.

24 (b) The dissolution of the district and the sale or transfer
25 of the district's assets or liabilities may not:

26 (1) contravene a trust indenture or bond resolution
27 relating to the district's outstanding bonds; or

28 (2) diminish or impair the rights of a holder of an
29 outstanding bond, warrant, or other obligation of the district.

30 (c) The sale or transfer of the district's assets and
31 liabilities must satisfy the debt and bond obligations of the
32 district in a manner that protects the interests of district
33 citizens, including the citizens' collective property rights in the
34 district's assets.

35 (d) The district may transfer or sell the district's assets
36 only for due compensation, unless the transfer is made to another
37 governmental agency embracing the district and using the
38 transferred assets for the benefit of the citizens formerly in the
39 district.

1 (e) A grant from federal funds is an obligation to be repaid
2 in satisfaction. (Acts 71st Leg., R.S., Ch. 199, Sec. 9.08.)

3 Source Law

4 Sec. 9.08. (a) Notwithstanding any other
5 provision of this article, the district may not be
6 dissolved unless the board of directors provides for
7 the sale or transfer of the district's assets and
8 liabilities to another entity or person. The
9 dissolution of the district and the sale or transfer of
10 the district's assets and liabilities may not
11 contravene a trust indenture or bond resolution
12 relating to the outstanding bonds of the district. In
13 addition, the dissolution and sale or transfer may not
14 diminish or impair the rights of the holders of any
15 outstanding bonds, warrants, or other obligations of
16 the district.

17 (b) The sale or transfer of the district's
18 assets and liabilities must satisfy the debt and bond
19 obligations of the district in a manner that protects
20 the interests of the citizens within the district,
21 including their collective property rights in the
22 district's assets. Any grant from federal funds shall
23 be considered an obligation to be repaid in
24 satisfaction. No sale or transfer of the district's
25 assets may be made except for due compensation unless
26 the transfer is made to another governmental agency
27 embracing such district and using such transferred
28 assets for the benefit of citizens formerly within the
29 district.

30 Revisor's Note
31 (End of Chapter)

32 (1) Section 5.01(2), Chapter 199, Acts of the
33 71st Legislature, Regular Session, 1989, provides for
34 the assumption of debt from the Eagle Lake Community
35 Hospital by the district on creation. The revised law
36 omits the provisions as executed. The omitted law
37 reads:

38 Sec. 5.01. [On creation of the
39 district, the district:]

40 . . .
41 (2) assumes any outstanding
42 indebtedness incurred by Eagle Lake
43 Community Hospital in providing hospital
44 care for residents of the territory of the
45 district before the district's creation;
46 . . .

47 (2) Section 10.02, Chapter 199, Acts of the 71st
48 Legislature, Regular Session, 1989, provides that the
49 act is severable and that an invalid provision of the
50 act does not affect the creation of the district. The
51 revised law omits the provision regarding severability

1 because it duplicates Section 311.032, Government Code
2 (Code Construction Act), which provides that a
3 provision of a statute is severable from each other
4 provision of the statute that can be given effect. The
5 revised law omits the provision regarding creation of
6 the district as executed. The omitted law reads:

7 Sec. 10.02. If any provision of this
8 Act or its application to any person or
9 circumstance is held invalid, the
10 invalidity does not affect other provisions
11 or applications of this Act that can be
12 given effect without the invalid provision
13 or application, and to this end the
14 provisions of this Act are declared to be
15 severable.

16 CHAPTER 1092. SABINE COUNTY HOSPITAL DISTRICT OF SABINE COUNTY,
17 TEXAS

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33 CHAPTER 1092. SABINE COUNTY HOSPITAL DISTRICT OF SABINE COUNTY,

34 TEXAS

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Revised Law

3 Sec. 1092.001. 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 Sabine County Hospital
8 District of Sabine County, Texas. (New.)

9 Revisor's Note

10 The definitions of "board," "director," and
11 "district" are added to the revised law for drafting
12 convenience and to eliminate frequent, unnecessary
13 repetition of the substance of the definitions.

14 Revised Law

15 Sec. 1092.002. AUTHORITY FOR CREATION. The Sabine County
16 Hospital District of Sabine County, Texas, is created under the
17 authority of Section 9, Article IX, Texas Constitution. (Acts 64th
18 Leg., R.S., Ch. 565, Sec. 1.)

19 Source Law

20 Sec. 1. By authority of Article IX, Section 9,
21 of the Texas Constitution, this Act authorizes the
22 creation of Sabine County Hospital District of Sabine
23 County, Texas.

24 Revised Law

25 Sec. 1092.003. DISTRICT TERRITORY. The boundaries of the
26 district are coextensive with the boundaries of Sabine County,
27 Texas. (Acts 64th Leg., R.S., Ch. 565, Sec. 2.)

28 Source Law

29 Sec. 2. The boundaries of this district are
30 coterminous with the boundaries of Sabine County,
31 Texas.

32 Revised Law

33 Sec. 1092.004. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
34 OBLIGATION. The support and maintenance of the district's hospital
35 system and any indebtedness incurred by the district under this
36 chapter may not become a charge against or obligation of this state.
37 (Acts 64th Leg., R.S., Ch. 565, Sec. 18 (part).)

1 Source Law

2 Sec. 18. The support and maintenance of the
3 hospital system of the district and any indebtedness
4 incurred by the district under this Act shall never
5 become a charge against nor an obligation of the State
6 of Texas,

7 Revised Law

8 Sec. 1092.005. 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 64th Leg., R.S., Ch. 565, Sec. 18 (part).)

12 Source Law

13 Sec. 18. . . . nor shall any direct
14 appropriation be made by the Legislature of the State
15 of Texas for the construction, maintenance, or
16 improvement of any of the facilities of the district.

17 Revisor's Note
18 (End of Subchapter)

19 Sections 4(a) and (e)-(h) and Sections 7 and 20,
20 Chapter 565, Acts of the 64th Legislature, Regular
21 Session, 1975, provide procedures for holding an
22 election on the creation of the district and the
23 imposition of an ad valorem tax. Because the creation
24 of the district and the imposition of the tax were
25 approved at the election, the revised law omits those
26 provisions as executed. The omitted law reads:

27 Sec. 4. (a) On receiving the
28 petition of 50 people who are qualified
29 voters of the proposed hospital district,
30 or by its own order recorded in the minutes,
31 the commissioners court of the county in
32 which this proposed hospital district is
33 located shall order an election to be held
34 to approve the creation of the proposed
35 hospital district and to elect a board of
36 directors. The election must be held during
37 the period beginning on the 20th day and
38 ending with the 30th day after the date of
39 the order.

40 (e) At the election, the qualified
41 voters shall vote whether or not the
42 proposed hospital district is to be
43 created. A majority of the qualified voters
44 must approve the creation of the district.

45 (f) The ballot for the creation of
46 the district must be substantially as
47 follows:

48 "FOR the creation of Sabine County
49 Hospital District of Sabine County, Texas.

1 "AGAINST the creation of Sabine County
2 Hospital District of Sabine County, Texas."

3 (g) If a majority of the persons
4 voting in the election vote for the creation
5 of the district, the commissioners court
6 shall, within 10 days after the results are
7 filed, declare the results and order the
8 district created. A copy of this order
9 shall be placed in the minutes of the court.

10 (h) If a majority of the persons
11 voting at the election vote against the
12 creation of the district, this does not
13 prevent the holding of other elections for
14 the same purpose.

15 Sec. 7. (a) At the time of the
16 election to create the district and to elect
17 directors, the commissioners court may
18 order an election to determine whether the
19 district may levy taxes within the
20 district. This tax may not exceed 75 cents
21 on the \$100 valuation of all taxable
22 property within the district. If the
23 commissioners court does not include this
24 election in the order for the election to
25 create the district, the board of directors
26 may order this election at any time.

27 (b) Prior to this election, notice
28 must be given by the appropriate
29 governmental unit: either the commissioners
30 court or the board of directors in the same
31 manner provided in Section 4 of this Act.
32 The presiding judge of each voting place
33 shall certify the results to the
34 appropriate governmental unit which shall
35 declare the results. The results are to be
36 of public record.

37 (c) The ballot for this election must
38 contain substantially the following:

39 "FOR the levy of a tax not to exceed 75
40 cents on the \$100 valuation on all property
41 subject to taxation within the district.

42 "AGAINST the levy of a tax not to
43 exceed 75 cents on the \$100 valuation on all
44 property subject to taxation within the
45 district."

46 (d) The board of directors shall not
47 levy any tax within the district until a
48 majority of the qualified voters voting in
49 the election vote for the levy of the tax.

50 Sec. 20. If the creation of a
51 district under this Act is not approved at
52 an election held within five years after the
53 effective date of this Act, this Act
54 expires.

55 [Sections 1092.006-1092.050 reserved for expansion]

56 SUBCHAPTER B. DISTRICT ADMINISTRATION

57 Revised Law

58 Sec. 1092.051. BOARD ELECTION; TERM. (a) The board
59 consists of five directors.

60 (b) One director is elected from each county commissioners

1 precinct and one director is elected from the district at large.

2 (c) Unless four-year terms are established under Section
3 285.081, Health and Safety Code:

4 (1) directors serve staggered two-year terms;

5 (2) a directors' election shall be held each year to
6 elect the appropriate number of directors; and

7 (3) the terms of directors elected from county
8 commissioners precincts one and three expire in even-numbered years
9 and the terms of directors elected from county commissioners
10 precincts two and four and from the district at large expire in
11 odd-numbered years. (Acts 64th Leg., R.S., Ch. 565, Secs. 5(a),
12 (e), (f) (part), (g).)

13 Source Law

14 Sec. 5. (a) At the election to create the
15 district, the qualified voters of the proposed
16 hospital district shall receive a separate ballot to
17 elect five directors to manage and control the
18 district.

19 (e) The person receiving the highest number of
20 votes from each of the four precincts shall constitute
21 four of the five board of directors. One person
22 receiving the highest number of votes in an at-large
23 position from the entire county shall constitute the
24 fifth member of the board of directors.

25 (f) At the general election in 1978, the
26 candidate at large and the candidates from precincts
27 one and three shall be elected to serve until the first
28 Saturday in April, 1980, and the candidates from
29 precincts two and four shall be elected to serve until
30 the first Saturday in April, 1981. Successors of these
31 directors shall serve for full two-year terms, and
32 each year . . . an election shall be held in the
33 district to elect the appropriate number of directors.

34 (g) A director holds office for a term of two
35 years and until his successor is elected and has
36 qualified.

37 Revisor's Note

38 (1) Sections 5(a), (e), (f), and (g), Chapter
39 565, Acts of the 64th Legislature, Regular Session,
40 1975, prescribe the procedures for electing the
41 initial board and the terms of the initial directors.
42 The revised law omits those provisions as executed but
43 codifies the establishment of a board consisting of
44 five directors, including one director elected from
45 each of the county commissioners precincts and one

1 director elected from the district at large. Section
2 5(f) also establishes staggered two-year terms, with
3 the terms of the initial directors to expire in 1980 or
4 1981. The revised law codifies the provisions
5 specifying staggered two-year terms and prescribing
6 the precincts that are elected in odd-numbered and
7 even-numbered years but omits the provision relating
8 to which year the terms of the initial directors expire
9 as executed.

10 (2) Section 5(d), Chapter 565, Acts of the 64th
11 Legislature, Regular Session, 1975, relates to a
12 person's entitlement to vote for directors. The
13 revised law omits that provision as unnecessary.
14 Chapter 11, Election Code, governs eligibility to vote
15 in an election in this state and allows only voters who
16 are residents of the territory covered by the election
17 to vote in an election. Consequently, under the
18 Election Code, a voter participating in a directors'
19 election is entitled to vote for the director to be
20 elected from the district at large and for the director
21 to be elected from the precinct in which the voter
22 resides. The omitted law reads:

23 (d) Each person entitled to vote for
24 director may cast his vote for two
25 candidates. (One for the candidate in his
26 precinct and one for the candidate at
27 large.)

28 (3) Section 5(f), Chapter 565, Acts of the 64th
29 Legislature, Regular Session, 1975, provides that
30 directors' elections are held on the first Saturday in
31 April each year. The revised law omits the reference
32 to the particular date as impliedly repealed by a 1986
33 amendment to Section 41.001, Election Code. Chapter
34 14, Acts of the 69th Legislature, 3rd Called Session,
35 1986, amended Section 41.001, Election Code, to
36 prescribe certain uniform election dates. Section 37

1 of that act required a political subdivision that held
2 its general election of officers on the first Saturday
3 in April to hold that election on a uniform election
4 date in May or to choose a different uniform election
5 date on which to hold the election. The omitted law
6 reads:

7 (f) . . . [each year] on the first
8 Saturday in April [an election shall be held
9 in the district to elect the appropriate
10 number of directors.]

11 (4) Section 5(g), Chapter 565, Acts of the 64th
12 Legislature, Regular Session, 1975, provides that
13 directors serve two-year terms. Section 285.081,
14 Health and Safety Code, applicable to this district,
15 provides a mechanism by which the governing board of a
16 hospital district, on its own motion, may order that
17 the members are to be elected in even-numbered years to
18 serve staggered four-year terms. The revised law is
19 drafted accordingly and adds a reference to Section
20 285.081, Health and Safety Code, for the convenience
21 of the reader.

22 (5) Section 5(g), Chapter 565, Acts of the 64th
23 Legislature, Regular Session, 1975, provides that a
24 director serves until the director's successor "is
25 elected and has qualified." The revised law omits that
26 provision because it duplicates Section 17, Article
27 XVI, Texas Constitution, which provides that an
28 officer in this state is to continue to perform the
29 officer's official duties until a successor has
30 qualified.

31 Revised Law

32 Sec. 1092.052. QUALIFICATIONS FOR OFFICE. To qualify for
33 election to the board, a person must:

- 34 (1) be at least 21 years of age;
- 35 (2) have been a resident of the district for at least
36 two years;

1 (3) have been a resident of the county commissioners
2 precinct for at least six months if the person seeks to represent a
3 county commissioners precinct position; and

4 (4) be a qualified voter of the district. (Acts 64th
5 Leg., R.S., Ch. 565, Sec. 5(b).)

6 Source Law

7 (b) To qualify for election to the board, a
8 person must:

- 9 (1) be at least 21 years of age;
10 (2) have been a resident of the district
11 for at least two years;
12 (3) have been a resident of the precinct
13 for at least six months if he is running for a precinct
14 position; and
15 (4) be a qualified elector of the
16 district.

17 Revisor's Note

18 Section 5(b), Chapter 565, Acts of the 64th
19 Legislature, Regular Session, 1975, provides that a
20 director must be a qualified "elector." The revised
21 law substitutes "voter" for "elector" because the
22 former is the term used in the Election Code.

23 Revised Law

24 Sec. 1092.053. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
25 OF OFFICE. (a) Each director shall qualify for office by executing
26 a good and sufficient commercial bond for \$1,000 that is:

- 27 (1) payable to the district; and
28 (2) conditioned on the faithful performance of the
29 director's duties.

30 (b) The district shall pay for a director's bond.

31 (c) Each director's bond and constitutional oath or
32 affirmation of office shall be deposited with the district's
33 depository for safekeeping. (Acts 64th Leg., R.S., Ch. 565, Sec.
34 6(a).)

35 Source Law

36 Sec. 6. (a) When a person is elected to the
37 board of directors he shall qualify for office by
38 executing the constitutional oath of office and a good
39 and sufficient commercial bond for \$1,000 payable to
40 the district, conditioned on the faithful performance
41 of his duties. The oath and bond are to be deposited
42 with the district depository for safekeeping. The

1 cost of the bond is an expense of the district.

2 Revisor's Note

3 Section 6(a), Chapter 565, Acts of the 64th
4 Legislature, Regular Session, 1975, requires each
5 director to take the constitutional oath of office.
6 The revised law omits that provision because Section
7 1, Article XVI, Texas Constitution, requires all
8 officers in this state to take the oath (or
9 affirmation) before assuming office. Additionally,
10 the revised law provides for the deposit of the
11 constitutional affirmation, as well as the
12 constitutional oath, because Section 1, Article XVI,
13 Texas Constitution, permits an officer in this state
14 to take either the constitutional oath or affirmation.

15 Revised Law

16 Sec. 1092.054. BOARD VACANCY. If a vacancy occurs in the
17 office of director, a majority of the directors shall appoint a
18 director for the unexpired term. (Acts 64th Leg., R.S., Ch. 565,
19 Sec. 5(h).)

20 Source Law

21 (h) A vacancy on the board of directors is
22 filled by appointment to a majority of the directors
23 for the unexpired term.

24 Revised Law

25 Sec. 1092.055. OFFICERS. The board shall elect from among
26 its members a president, a secretary, and a treasurer at the first
27 board meeting held after a directors' election. (Acts 64th Leg.,
28 R.S., Ch. 565, Sec. 6(b).)

29 Source Law

30 (b) The directors shall, at the first meeting
31 after the election, elect a president, a secretary,
32 and a treasurer from their number.

33 Revised Law

34 Sec. 1092.056. COMPENSATION; EXPENSES. A director serves
35 without compensation but is entitled to reimbursement for necessary
36 expenses incurred in the performance of official duties. (Acts
37 64th Leg., R.S., Ch. 565, Sec. 6(c).)

1 Source Law

2 (c) A member of the board of directors is not
3 entitled to compensation for his services. However,
4 each member is entitled to reimbursement for any
5 necessary expense incurred by him in the performance
6 of the duties of his office.

7 Revised Law

8 Sec. 1092.057. DISTRICT ADMINISTRATOR. (a) The board may
9 employ a district administrator to manage the operations of the
10 hospital system.

11 (b) The district administrator may employ necessary
12 personnel to perform the services provided by the hospital system.
13 (Acts 64th Leg., R.S., Ch. 565, Sec. 12(e) (part).)

14 Source Law

15 (e) The board may:
16 . . .
17 (3) employ an administrator to manage the
18 operations of the hospital system, who may hire
19 necessary personnel to perform the services provided
20 by the system.

21 Revised Law

22 Sec. 1092.058. EMPLOYEES. The board may employ an
23 attorney, a general manager, a bookkeeper, an architect, and other
24 employees necessary for the efficient operation of the district.
25 (Acts 64th Leg., R.S., Ch. 565, Sec. 12(e) (part).)

26 Source Law

27 (e) The board may:
28 . . .
29 (2) employ an attorney, general manager,
30 bookkeeper, architect, and other employees necessary
31 for the efficient operation of the district; and
32 . . .

33 Revised Law

34 Sec. 1092.059. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.
35 The board shall:
36 (1) maintain all district records, including books,
37 accounts, notices, minutes, and other matters of the district and
38 its operations, at the district office; and
39 (2) make those records available for public inspection
40 at reasonable times. (Acts 64th Leg., R.S., Ch. 565, Sec. 12(b).)

1 Source Law

2 (b) The board shall keep all books, records,
3 accounts, notices, minutes, and other matters of the
4 district and its operations at the office of the
5 district. The board shall make these items available
6 for public inspection at reasonable times.

7 Revisor's Note
8 (End of Subchapter)

9 Section 5(c), Chapter 565, Acts of the 64th
10 Legislature, Regular Session, 1975, states that a
11 person must file the person's name with the
12 commissioners court to be a candidate for director and
13 prescribes a deadline for the filing. The revised law
14 omits the requirement for the person to file the
15 person's name with the commissioners court because it
16 is superseded by Section 144.004, Election Code, which
17 provides that an application for a place on the ballot
18 must be filed with the secretary of the political
19 subdivision's governing body. The revised law omits
20 the filing deadline because it is superseded by
21 Section 144.005, Election Code. Section 1.002,
22 Election Code, provides that the Election Code applies
23 to all elections held in this state. The omitted law
24 reads:

25 (c) Any person who is qualified to
26 serve on the board of directors and who
27 desires to serve shall file his name with
28 the commissioners court at least two weeks
29 before the date of the election.

30 [Sections 1092.060-1092.100 reserved for expansion]

31 SUBCHAPTER C. POWERS AND DUTIES

32 Revised Law

33 Sec. 1092.101. DISTRICT RESPONSIBILITY. The district shall
34 provide all necessary hospital and medical care for the district's
35 needy inhabitants. (Acts 64th Leg., R.S., Ch. 565, Sec. 3 (part).)

36 Source Law

37 Sec. 3. . . . This district shall provide all
38 necessary hospital and medical care for the needy
39 inhabitants of the district.

1 Revised Law

2 Sec. 1092.102. 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 64th Leg., R.S., Ch. 565, Sec. 3 (part).)

7 Source Law

8 Sec. 3. . . . After this district is created as
9 provided in Section 4 of this Act, no other
10 municipality or political subdivision of this state
11 may levy taxes or issue bonds or other obligations of
12 indebtedness for the purpose of providing hospital
13 service or medical care within the district. . . .

14 Revisor's Note

15 (1) Section 3, Chapter 565, Acts of the 64th
16 Legislature, Regular Session, 1975, provides that
17 "[a]fter this district is created as provided in
18 Section 4 of this Act," certain political subdivisions
19 may not levy taxes or issue bonds. The revised law
20 omits the quoted language as executed. In addition,
21 throughout this chapter, the revised law substitutes
22 "impose" for "levy" because, in this context, the
23 terms are synonymous and the former is more commonly
24 used.

25 (2) Section 3, Chapter 565, Acts of the 64th
26 Legislature, Regular Session, 1975, refers to a
27 "municipality or political subdivision." Throughout
28 this chapter, the revised law omits references to
29 "municipality" because "municipality" is included in
30 the meaning of "political subdivision."

31 Revised Law

32 Sec. 1092.103. MANAGEMENT AND CONTROL OF DISTRICT. The
33 board has full power to manage and control the district. (Acts 64th
34 Leg., R.S., Ch. 565, Sec. 12(a) (part).)

35 Source Law

36 Sec. 12. (a) The board of directors has full
37 power to manage and control the district. . . .

1 Revised Law

2 Sec. 1092.104. HOSPITAL SYSTEM. The district has the
3 responsibility to establish a hospital or hospital system within
4 its boundaries to provide hospital and medical care to the
5 district's residents. (Acts 64th Leg., R.S., Ch. 565, Sec. 3
6 (part).)

7 Source Law

8 Sec. 3. The district authorized to be created by
9 this Act is charged with the responsibility of
10 establishing a hospital or a hospital system within
11 its boundaries to furnish hospital and medical care to
12 the residents of the district. . . .

13 Revised Law

14 Sec. 1092.105. RULES. (a) The board shall adopt rules for
15 the efficient operation of the district, including district
16 facilities.

17 (b) The board shall:

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

19 (2) provide copies to interested persons on request at
20 district expense. (Acts 64th Leg., R.S., Ch. 565, Sec. 12(c).)

21 Source Law

22 (c) The board shall adopt rules for the
23 efficient operation of the district and its facilities
24 which are not inconsistent with this Act. The board
25 shall publish these rules and regulations in book form
26 and furnish copies to interested persons upon request
27 and at the expense of the district.

28 Revisor's Note

29 (1) Section 12(c), Chapter 565, Acts of the 64th
30 Legislature, Regular Session, 1975, provides that the
31 board shall adopt rules that "are not inconsistent
32 with this Act." The revised law omits the quoted
33 language because, under established principles of law,
34 the board is not authorized to take any action contrary
35 to the laws of this state.

36 (2) Section 12(c), Chapter 565, Acts of the 64th
37 Legislature, Regular Session, 1975, refers to "rules
38 and regulations." The revised law omits the reference
39 to "regulations" because under Section 311.005(5),

1 Government Code (Code Construction Act), a rule is
2 defined to include a regulation.

3 Revised Law

4 Sec. 1092.106. PURCHASING AND ACCOUNTING PROCEDURES. The
5 board may prescribe the method of making purchases and expenditures
6 and the manner of accounting and control used by the district.
7 (Acts 64th Leg., R.S., Ch. 565, Sec. 12(e) (part).)

8 Source Law

9 (e) The board may:
10 (1) prescribe the method of making
11 purchases and expenditures and the manner of
12 accounting and control used by the district;
13 . . .

14 Revised Law

15 Sec. 1092.107. EMINENT DOMAIN. (a) The district may
16 exercise the power of eminent domain to acquire a fee simple or
17 other interest in real, personal, or mixed property located in
18 district territory if the interest is necessary or convenient for
19 the district to exercise a power or duty conferred on the district
20 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, the district is not
26 required to:

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

29 (2) provide a bond for costs or a supersedeas bond on
30 an appeal or petition for review. (Acts 64th Leg., R.S., Ch. 565,
31 Sec. 15.)

32 Source Law

33 Sec. 15. (a) The district has the power of
34 eminent domain for the purpose of acquiring by
35 condemnation any interest, including fee simple
36 absolute, in any real, personal, or mixed property
37 within the boundaries of the district that is
38 necessary or convenient to the exercise of the powers
39 and duties conferred on it by this Act.

40 (b) The board shall exercise this power of

1 eminent domain in the same manner as provided by
2 general law. However, the district is not required to
3 make deposits in the registry of the trial court or to
4 post bond as required by Paragraph 2, Article 3268,
5 Revised Civil Statutes of Texas, 1925, as amended.

6 (c) The district is not required to pay in
7 advance or to give any bond or other security for costs
8 in the trial court otherwise required for the issuance
9 relating to a condemnation proceeding nor is it
10 required to give a bond for costs or for supersedeas on
11 an appeal or writ of error proceeding to a court of
12 civil appeals or to the supreme court.

13 Revisor's Note

14 (1) Section 15(a), Chapter 565, Acts of the 64th
15 Legislature, Regular Session, 1975, provides that the
16 district has the "power of eminent domain for the
17 purpose of acquiring [property] by condemnation." The
18 revised law substitutes for the quoted language "may
19 exercise the power of eminent domain to acquire
20 [property]" because the phrases have the same meaning
21 and the latter phrase is consistent with modern usage
22 in law relating to eminent domain.

23 (2) Section 15(b), Chapter 565, Acts of the 64th
24 Legislature, Regular Session, 1975, provides that the
25 board shall exercise the power of eminent domain in the
26 manner provided by "general law." The revised law
27 substitutes for "general law" a reference to Chapter
28 21, Property Code, because that is the general law
29 governing eminent domain.

30 (3) Section 15(b), Chapter 565, Acts of the 64th
31 Legislature, Regular Session, 1975, refers to
32 "Paragraph 2, Article 3268, Revised Civil Statutes of
33 Texas, 1925, as amended." That statute was codified in
34 1983 as Section 21.021(a), Property Code, and the
35 revised law is drafted accordingly. In addition, the
36 revised law omits the reference to "as amended"
37 because under Section 311.027, Government Code (Code
38 Construction Act), a reference to a statute applies to
39 all reenactments, revisions, or amendments of that
40 statute unless expressly provided otherwise.

1 (4) Section 15(c), Chapter 565, Acts of the 64th
2 Legislature, Regular Session, 1975, provides that the
3 district is not required to provide a bond on an appeal
4 or "writ of error proceeding" to "a court of civil
5 appeals or to the supreme court." The revised law
6 substitutes "petition for review" for "writ of error"
7 because, effective September 1, 1997, the Texas
8 Supreme Court replaced the writ of error procedure
9 with the petition for review procedure. See Rule 53.1,
10 Rules of Appellate Procedure. The revised law omits
11 the references to the court of civil appeals (now the
12 court of appeals) and the supreme court. The revised
13 law omits the references because the courts of appeals
14 and the supreme court are the only courts to which the
15 district may appeal or with which the district may file
16 a petition for review.

17 Revised Law

18 Sec. 1092.108. GIFTS AND ENDOWMENTS. The board may accept
19 for the district a gift or endowment to be held in trust and
20 administered by the board under the directions, limitations, or
21 other provisions prescribed in writing by the donor that are not
22 inconsistent with the proper management of the district. (Acts
23 64th Leg., R.S., Ch. 565, Sec. 12(f).)

24 Source Law

25 (f) The board may accept donations, gifts, and
26 endowments for the district. The board shall hold all
27 donations, gifts, and endowments in trust and shall
28 administer them under any direction, limitation, or
29 provisions as may be prescribed in writing by the
30 donor, as long as it is not inconsistent with the
31 proper management of the district.

32 Revisor's Note

33 Section 12(f), Chapter 565, Acts of the 64th
34 Legislature, Regular Session, 1975, refers to
35 "donations" and "gifts." The revised law omits
36 "donations" because "donations" is included in the
37 meaning of "gifts."

1 Revised Law

2 Sec. 1092.109. CONTRACTS FOR HOSPITAL AND MEDICAL CARE.

3 The board may contract with another political subdivision to
4 provide hospital and medical care for needy persons who reside
5 outside the district. (Acts 64th Leg., R.S., Ch. 565, Sec. 12(g).)

6 Source Law

7 (g) The board may enter into any contract with a
8 municipality or other political subdivision to provide
9 hospital and medical care for needy persons who reside
10 outside the district.

11 Revised Law

12 Sec. 1092.110. PAYMENT FOR TREATMENT; PROCEDURES. (a) A

13 person who resides in the district is entitled to receive necessary
14 medical and hospital care regardless of whether the person has the
15 ability to pay for the care and may apply to receive this care
16 without cost.

17 (b) The board or the district administrator shall employ a
18 person to investigate the ability of the patient and any relative
19 who is liable for the patient's support to pay for the medical and
20 hospital care received by the patient.

21 (c) If the investigator determines that the patient or
22 relative legally liable for the patient's support cannot pay all or
23 part of the costs of the patient's care, the expense of the care
24 becomes a charge against the district.

25 (d) If the patient or a relative legally liable for the
26 patient's support can pay for all or part of the costs of the
27 patient's care, the board shall order the patient or relative to pay
28 the treasurer each week an amount specified in the order, which must
29 be proportionate to the person's ability to pay.

30 (e) The district may collect the amount from the patient's
31 estate, or from any relative who is liable for the patient's
32 support, in the manner provided by law for the collection of
33 expenses of the last illness of a deceased person.

34 (f) If there is a dispute as to the ability to pay, or doubt
35 in the mind of the investigator, the board shall hold a hearing and,
36 after calling witnesses, shall:

1 (1) determine the question; and
2 (2) make the proper order based on the board's
3 findings.

4 (g) A party to the hearing who is not satisfied with the
5 result of the order may appeal to the district court. The appeal is
6 de novo. (Acts 64th Leg., R.S., Ch. 565, Sec. 14.)

7 Source Law

8 Sec. 14. (a) A person who resides within the
9 district is entitled to receive necessary medical and
10 hospital care whether he has the ability to pay for the
11 care or not. A person who resides within the district
12 may make application to receive this care without
13 cost.

14 (b) The board or the administrator shall employ
15 a person to investigate the ability of the patient and
16 the ability of any relative who is liable for the
17 support of the patient to pay for the medical and
18 hospital care which the patient receives.

19 (c) If the patient or a relative of the patient
20 who is legally liable for his support is able to pay
21 for this care in whole or in part, the board shall
22 order the patient or his relatives to pay to the
23 treasurer each week an amount specified in the order.
24 The amount must be in proportion to the ability to pay.

25 (d) The district may collect this amount from
26 the estate of the patient or from his relatives who are
27 liable for this support in the manner provided by law
28 for the collection of expenses of the last illness of a
29 deceased person.

30 (e) If the investigator finds that neither the
31 patient nor a relative who is legally liable for his
32 support is able to pay in whole or in part for this
33 care, the expense of this care becomes a charge on the
34 district.

35 (f) If there is a dispute as to the ability to
36 pay or a doubt in the mind of the investigator the
37 board shall hear and determine the question, after
38 calling witnesses, and make the proper order based on
39 its findings.

40 (g) A party to the hearing who is not satisfied
41 with the result of the order may appeal to the district
42 court. The appeal is de novo.

43 Revisor's Note
44 (End of Subchapter)

45 (1) Section 12(a), Chapter 565, Acts of the 64th
46 Legislature, Regular Session, 1975, states that a
47 provision of that chapter that provides a specific
48 power or duty does not limit the district's general
49 authority to carry out the purposes of the chapter.
50 The revised law omits that provision because it is a
51 generally accepted principle of statutory
52 interpretation that all of a statute is intended to be

1 given effect and that specific grants of power do not
2 limit more general grants of power. Additionally,
3 Section 311.021(2), Government Code (Code
4 Construction Act), provides that an entire statute is
5 intended to be effective. The omitted law reads:

6 (a) . . . Any provision of this Act
7 which provides a specific power or duty does
8 not limit the general authority of the
9 district to carry out the purposes of this
10 Act.

11 (2) Section 17, Chapter 565, Acts of the 64th
12 Legislature, Regular Session, 1975, provides
13 authority for the "State Board of Health, the State
14 Department of Public Welfare, or any other state
15 agency created for a similar purpose" to inspect
16 hospital district facilities and records. The revised
17 law omits Section 17 because various state laws,
18 including Chapters 222 and 241, Health and Safety
19 Code, provide the necessary inspection authority to
20 appropriate state agencies. The omitted law reads:

21 Sec. 17. (a) The district is subject
22 to inspection at any time by an authorized
23 representative of the State Board of
24 Health, the State Department of Public
25 Welfare, or any other state agency created
26 for a similar purpose.

27 (b) The administrator of the hospital
28 shall admit a representative into the
29 facilities of the district and make
30 accessible on demand all district records,
31 reports, books, papers, and accounts.

32 [Sections 1092.111-1092.150 reserved for expansion]

33 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

34 Revised Law

35 Sec. 1092.151. BUDGET. The board shall prepare a budget
36 that includes:

- 37 (1) proposed expenditures and disbursements;
38 (2) estimated receipts and collections for the next
39 fiscal year; and
40 (3) the amount of taxes required to be imposed to meet
41 the proposed budget. (Acts 64th Leg., R.S., Ch. 565, Sec. 13(b).)

1 Source Law

2 (b) The board shall prepare a budget showing:
3 (1) the proposed expenditures and
4 disbursements;
5 (2) the estimated receipts and collections
6 for the next fiscal year; and
7 (3) the amount of taxes required to be
8 levied and collected during the next fiscal year to
9 meet the proposed budget.

10 Revisor's Note

11 Section 13(b), Chapter 565, Acts of the 64th
12 Legislature, Regular Session, 1975, refers to taxes
13 "levied and collected." The revised law substitutes
14 "imposed" for the quoted language because "impose" is
15 the term generally used in Title 1, Tax Code, and
16 includes the levying and collection of an ad valorem
17 tax.

18 Revised Law

19 Sec. 1092.152. 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 the district not later than
23 the 11th day before the date of the hearing.

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

- 26 (1) appear at the hearing; and
27 (2) be heard regarding any item in the proposed
28 budget. (Acts 64th Leg., R.S., Ch. 565, Secs. 13(c), (d).)

29 Source Law

30 (c) The board shall hold a public hearing on the
31 proposed budget after publication of notice in a
32 newspaper of general circulation in the district. The
33 notice must be given at least one time before the
34 10-day period immediately preceding the day of the
35 hearing.

36 (d) Any person who owns taxable property within
37 the district and has duly rendered that property for
38 taxation is entitled to appear at the hearing and be
39 heard with reference to any item in the proposed
40 budget.

41 Revised Law

42 Sec. 1092.153. FISCAL YEAR. The district's fiscal year is
43 from January 1 to December 31. (Acts 64th Leg., R.S., Ch. 565, Sec.

1 13(a).)

2 Source Law

3 Sec. 13. (a) The fiscal year of the hospital
4 district is from January 1 of each year through
5 December 31 of the same year.

6 Revised Law

7 Sec. 1092.154. ANNUAL AUDIT. (a) The board annually shall
8 require an independent audit of the district's books and records.

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

11 (1) the comptroller; and

12 (2) the district. (Acts 64th Leg., R.S., Ch. 565, Sec.
13 12(d).)

14 Source Law

15 (d) The board shall require an annual
16 independent audit of the books and records of the
17 district and shall file a copy of the audit with the
18 comptroller of public accounts and a copy with the
19 district not later than December 1 of each year.

20 Revisor's Note

21 Section 12(d), Chapter 565, Acts of the 64th
22 Legislature, Regular Session, 1975, refers to the
23 "comptroller of public accounts." The revised law
24 substitutes "comptroller" for the quoted language
25 because Section 403.001, Government Code, defines
26 "comptroller" in any state statute to mean the
27 comptroller of public accounts of the State of Texas.

28 Revised Law

29 Sec. 1092.155. DEPOSITORY. (a) The board by resolution
30 shall designate a bank in Sabine County as the district's
31 depository. A designated bank serves for two years and until a
32 successor is designated.

33 (b) All district money shall be deposited in the depository
34 and secured in the manner provided for securing county funds. (Acts
35 64th Leg., R.S., Ch. 565, Sec. 16.)

36 Source Law

37 Sec. 16. Within 30 days after the qualification
38 of the board of directors, the board shall by

1 resolution designate a bank within the county in which
2 the district is located to be the depository of the
3 district. All funds of the district shall be deposited
4 in the depository and shall be secured in the manner
5 now provided for the security of county funds. The
6 depository shall serve for a period of two years and
7 until a successor has been named in accordance with
8 this section.

9 Revisor's Note

10 (1) Section 16, Chapter 565, Acts of the 64th
11 Legislature, Regular Session, 1975, requires the board
12 to select a depository "[w]ithin 30 days after the
13 qualification of the board of directors." The revised
14 law omits the quoted language as executed.

15 (2) Section 16, Chapter 565, Acts of the 64th
16 Legislature, Regular Session, 1975, refers to the bank
17 in "the county in which the district is located." The
18 revised law substitutes "Sabine County" for the quoted
19 language because that is the county in which the
20 district is located.

21 [Sections 1092.156-1092.200 reserved for expansion]

22 SUBCHAPTER E. BONDS

23 Revised Law

24 Sec. 1092.201. BONDS. The district may issue bonds to:

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

27 (2) equip buildings for hospital purposes. (Acts 64th
28 Leg., R.S., Ch. 565, Secs. 9(a) (part), 10(a) (part).)

29 Source Law

30 Sec. 9. (a) . . . the district may issue bonds
31 for the purchase, construction, acquisition, repair,
32 or renovation of buildings and improvements and for
33 equipping the buildings for hospital purposes. . . .

34 Sec. 10. (a) After a majority of those persons
35 voting at the election vote for the levy of a tax, the
36 board may issue bonds,

37 Revisor's Note

38 (1) Section 9(a), Chapter 565, Acts of the 64th
39 Legislature, Regular Session, 1975, authorizes the
40 commissioners court to order a bond election at the
41 election to create the district. The revised law omits

1 that provision because the creation election has been
2 conducted. The omitted law reads:

3 Sec. 9. (a) At the time of the
4 election to create the district, the
5 commissioners court may order an election
6 to determine whether [the district may
7 issue bonds]

8 (2) Section 10(a), Chapter 565, Acts of the 64th
9 Legislature, Regular Session, 1975, provides that the
10 board may issue bonds "[a]fter a majority of those
11 persons voting at the election vote for the levy of a
12 tax." The revised law omits the quoted language as
13 executed.

14 Revised Law

15 Sec. 1092.202. TAX TO PAY BONDS. The board may issue bonds
16 under Section 1092.201 only if the board imposes an ad valorem tax
17 at a rate sufficient to create an interest and sinking fund to pay
18 the principal of and interest on the bonds as the bonds mature.
19 (Acts 64th Leg., R.S., Ch. 565, Sec. 10(c).)

20 Source Law

21 (c) The board may not issue any bonds unless a
22 sufficient tax is levied to create an interest and
23 sinking fund to pay the interest and principal as it
24 matures.

25 Revisor's Note

26 Section 10(c), Chapter 565, Acts of the 64th
27 Legislature, Regular Session, 1975, requires the
28 district to levy a tax to pay the principal of and
29 interest on bonds. The revised law specifies that the
30 tax is an "ad valorem" tax because it is clear from the
31 source law that the tax is a property tax and "ad
32 valorem" is the term most commonly used to refer to a
33 property tax.

34 Revised Law

35 Sec. 1092.203. BOND ELECTION. (a) The board may issue
36 bonds under Section 1092.201 only if the bonds are authorized by a
37 majority of qualified voters voting in an election held for that
38 purpose. The total face value of the bonds may not exceed the

1 amount specified in the election order.

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

3 (c) The order calling the election must include:

4 (1) the time of the election;

5 (2) the location of the polling places;

6 (3) the form of the ballots;

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

8 (5) the purpose of the bond issuance;

9 (6) the amount of the bonds to be authorized;

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

11 (8) the maximum maturity date of the bonds.

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

17 (e) A copy of the election results must be filed with the
18 county clerk and become a public record. (Acts 64th Leg., R.S., Ch.
19 565, Secs. 4(b), (c), (d) (part), 9(a) (part), (b), (d), 10(a)
20 (part).)

21 Source Law

22 [Sec. 4]

23 (b) The order calling the election must contain
24 the time and place or places of holding the election,
25 the form of the ballots, and the presiding judge for
26 each voting place.

27 (c) The commissioners court shall publish a
28 substantial copy of the election order in a newspaper
29 of general circulation in the district once a week for
30 two consecutive weeks before the date of the election.
31 The first notice must be published before the 14-day
32 period immediately preceding the day of the election.

33 (d) . . . A copy of the results is to be filed
34 with the county clerk and becomes a public record.

35 Sec. 9. (a) . . . If the commissioners court
36 does not include this election in the order for the
37 election to create the district, the board of
38 directors may order this election at any time.

39 (b) The order and notice of election and the
40 certification declaration of the results to the county
41 clerk are governed by Section 4 of this Act. In
42 addition to the provisions of that section, the order
43 of this election must include:

44 (1) the purpose for which the bonds are to
45 be issued;

46 (2) the amount of the proposed bond issue;

1 (3) the maximum interest rate; and
2 (4) the maximum maturity date of the
3 bonds.

4 (d) The board of directors shall not issue any
5 bonds until a majority of the qualified voters voting
6 in an election for this purpose vote for the issuance
7 of these bonds.

8 Sec. 10. (a) . . . [the board may issue
9 bonds,] the total of the face value not to exceed the
10 amount specified in the order of the election.

11 Revisor's Note

12 Section 4(d), Chapter 565, Acts of the 64th
13 Legislature, Regular Session, 1975, provides that the
14 presiding judge of each voting place shall count the
15 votes and certify the results to the commissioners
16 court within 10 days. The revised law omits those
17 requirements as superseded by Sections 67.002, 67.003,
18 and 67.004, Election Code (enacted as Section 1,
19 Chapter 211, Acts of the 69th Legislature, Regular
20 Session, 1985), which require the governing body of a
21 political subdivision that orders an election to
22 canvass the returns and provide the time frame and
23 procedures for the canvass. The omitted law reads:

24 (d) The presiding judge of each
25 voting place shall supervise the counting
26 of all votes cast and shall certify the
27 results to the commissioners court within
28 10 days after the election. . . .

29 Revised Law

30 Sec. 1092.204. MATURITY OF BONDS. District bonds must
31 mature not later than 40 years after the date of issuance. (Acts
32 64th Leg., R.S., Ch. 565, Sec. 9(c).)

33 Source Law

34 (c) The board of directors shall not issue any
35 bond which matures more than 40 years from the date of
36 issuance.

37 Revised Law

38 Sec. 1092.205. EXECUTION OF BONDS. (a) The board president
39 shall execute the district's bonds in the district's name.

40 (b) The board secretary shall countersign the bonds. (Acts
41 64th Leg., R.S., Ch. 565, Sec. 10(b) (part).)

1 public securities at any net effective interest rate
2 of 15 percent or less. Section 1204.006, Government
3 Code, applies to district bonds by application of
4 Section 1204.001, Government Code. The omitted law
5 reads:

6 (e) The board may elect to refund and
7 pay off any validly issued and outstanding
8 bonds issued by the district. However, the
9 refunding bonds issued must bear interest
10 at the same or a lower rate than the bonds
11 being refunded unless it is shown
12 mathematically that a savings will result
13 in the total interest to be paid.

14 (3) Section 11, Chapter 565, Acts of the 64th
15 Legislature, Regular Session, 1975, provides that
16 district bonds are legal and authorized investments
17 for certain entities. The revised law omits the
18 provision as unnecessary. As to several of the
19 entities listed, Section 11 has been superseded and
20 impliedly repealed. Investments in securities by
21 banks are regulated by Section 34.101, Finance Code
22 (enacted in 1995 as Section 5.101, Texas Banking Act
23 (Article 342-5.101, Vernon's Texas Civil Statutes)).
24 Investments in securities by savings banks are
25 regulated by Section 93.001(c)(10), Finance Code
26 (enacted in 1993 as Section 7.15(10), Texas Savings
27 Bank Act (Article 489e, Vernon's Texas Civil
28 Statutes)). Investments in securities by trust
29 companies are regulated by Section 184.101, Finance
30 Code (enacted in 1997 as Section 5.101, Texas Trust
31 Company Act (Article 342a-5.101, Vernon's Texas Civil
32 Statutes)). Investments in securities by building and
33 loan associations (now called savings and loan
34 associations) are regulated by Sections 63.002 and
35 64.001, Finance Code. As to the remaining entities
36 listed, Section 11 is superseded by Section 1201.041,
37 Government Code, enacted as Section 9, Bond Procedures
38 Act of 1981 (Article 717k-6, Vernon's Texas Civil

1 Statutes). Section 1201.041, Government Code, applies
2 to district bonds by application of Section 1201.002,
3 Government Code. The omitted law reads:

4 Sec. 11. All bonds issued under this
5 Act shall be legal and authorized
6 investments for banks, savings banks, trust
7 companies, building and loan associations,
8 insurance companies, fiduciaries,
9 trustees, and for any sinking funds of
10 cities, towns, villages, counties, school
11 districts, and other political corporations
12 or subdivisions of the State of
13 Texas. . . .

14 (4) Section 11, Chapter 565, Acts of the 64th
15 Legislature, Regular Session, 1975, provides that
16 district bonds may secure deposits of public funds of
17 this state or political subdivisions of this state.
18 The revised law omits the provisions as impliedly
19 repealed by Section 404.0221, Government Code (enacted
20 in 1995), which lists eligible collateral for deposits
21 of state funds by the comptroller, and by Chapter 2257,
22 Government Code (enacted in 1989 as Article 2529d,
23 Vernon's Texas Civil Statutes), which governs eligible
24 collateral for deposits of funds of other public
25 agencies, including political subdivisions. The
26 omitted law reads:

27 Sec. 11. . . . The bonds shall be
28 eligible to secure the deposit of any and
29 all public funds of the State of Texas and
30 any and all public funds of cities, towns,
31 villages, counties, school districts, and
32 other political corporations or
33 subdivisions of the State of Texas, and the
34 bonds shall be lawful and sufficient
35 security for the deposits at their face
36 value when accompanied by all unmatured
37 coupons appurtenant thereto.

38 [Sections 1092.206-1092.250 reserved for expansion]

39 SUBCHAPTER F. TAXES

40 Revised Law

41 Sec. 1092.251. IMPOSITION OF AD VALOREM TAX. (a) The board
42 shall impose a tax on all property in the district subject to
43 district taxation.

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

1 a comprehensive, substantive codification of ad
2 valorem tax law and its administration. Title 1, Tax
3 Code, provides the exclusive procedures for the
4 taxation of property by a taxing unit, including a
5 hospital district. The omitted law reads:

6 (b) The board shall use the same
7 valuation used by the commissioners court
8 in taxing the property for county purposes
9 which appears on the county tax rolls.

10 (d) On or before October 1 of each
11 year, the board shall levy the tax and
12 immediately certify the tax rate to the tax
13 assessor and collector of the county in
14 which the district is located. . . . The
15 taxes of the district are subject to the
16 same conditions as the taxes of the county.

17 Revised Law

18 Sec. 1092.252. TAX RATE. The board may impose the tax at a
19 rate not to exceed 75 cents on each \$100 valuation. (Acts 64th
20 Leg., R.S., Ch. 565, Sec. 8(a) (part).)

21 Source Law

22 (a) . . . [the board of directors shall levy a
23 tax] not to exceed 75 cents on the \$100
24 valuation

25 Revised Law

26 Sec. 1092.253. TAX ASSESSOR-COLLECTOR. The Sabine County
27 tax assessor-collector shall collect taxes for the district. (Acts
28 64th Leg., R.S., Ch. 565, Sec. 8(d) (part).)

29 Source Law

30 (d) . . . The tax assessor and collector of that
31 county shall collect the taxes for the district. . . .

32 Revisor's Note
33 (End of Subchapter)

34 (1) Section 8(e), Chapter 565, Acts of the 64th
35 Legislature, Regular Session, 1975, provides that the
36 county tax assessor-collector may charge a fee for the
37 assessment and collection of district taxes. The
38 revised law omits that provision because it was
39 repealed by Section 6(b), Chapter 841, Acts of the 66th
40 Legislature, Regular Session, 1979. See Revisor's
41 Note (2) to Section 1092.251. Section 6.27(b), Tax

1 Code, provides for the compensation of a county tax
2 assessor-collector assessing and collecting taxes for
3 another taxing unit. The omitted law reads:

4 (e) The assessor and collector of
5 taxes is entitled to a fee as compensation
6 for his services of not more than one
7 percent of the total tax collected, but not
8 to exceed \$5,000 in any one fiscal year.
9 The board shall fix the exact amount of
10 compensation. The tax assessor and
11 collector shall deduct this fee from the
12 payments made to the district of the taxes
13 collected and deposit that amount in the
14 general fund of the county as a fee of
15 office of the tax assessor and collector.

16 (2) Section 8(f), Chapter 565, Acts of the 64th
17 Legislature, Regular Session, 1975, provides that the
18 district may impose taxes for the entire year in which
19 the district is established. The revised law omits
20 that provision as executed. The omitted law reads:

21 (f) The board may levy this tax for
22 the entire year in which the district is
23 established to secure funds necessary to
24 initiate the operation of the hospital
25 district.

26 Revisor's Note
27 (End of Chapter)

28 Section 19, Chapter 565, Acts of the 64th
29 Legislature, Regular Session, 1975, provides that
30 public notice of enactment of the statute was provided
31 in a manner that satisfies the requirements of the
32 Texas Constitution. The revised law omits that
33 section as executed. The omitted law reads:

34 Sec. 19. The legislature has found
35 that proper notice has been given in the
36 district affected by this Act in accordance
37 with the requirement of Article IX, Section
38 9, of the Texas Constitution.

39 CHAPTER 1093. SAN AUGUSTINE CITY-COUNTY HOSPITAL DISTRICT

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6 CHAPTER 1093. SAN AUGUSTINE CITY-COUNTY HOSPITAL DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 1093.001. 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 San Augustine City-County
14 Hospital District. (New.)

15 Revisor's Note

16 The definitions of "board," "director," and
17 "district" are added to the revised law for drafting
18 convenience and to eliminate frequent, unnecessary
19 repetition of the substance of the definitions.

20 Revised Law

21 Sec. 1093.002. AUTHORITY FOR OPERATION. The San Augustine
22 City-County Hospital District operates in accordance with and has
23 the rights, powers, and duties provided by Section 9, Article IX,
24 Texas Constitution, and by this chapter. (Acts 62nd Leg., R.S., Ch.
25 5, Sec. 1 (part).)

26 Source Law

27 Sec. 1. In accordance with the provisions of
28 Article IX, Section 9, of the Constitution of the State
29 of Texas, this Act shall be operative so as to
30 authorize the creation, establishment, maintenance,
31 and operation of a hospital district within this State
32 . . . to be known as "San Augustine City-County
33 Hospital District" with such rights, powers, and
34 duties as provided in this Act.

35 Revisor's Note

36 Section 1, Chapter 5, Acts of the 62nd
37 Legislature, Regular Session, 1971, authorizes the
38 "creation, establishment, maintenance, and operation"

1 of the district. The revised law omits "creation" and
2 "establishment" as executed. The revised law omits
3 "maintenance" because, in this context, the meaning of
4 that term is included in the meaning of "operation."

5 Revised Law

6 Sec. 1093.003. ESSENTIAL PUBLIC FUNCTION. The district
7 performs an essential public function in carrying out the purposes
8 of this chapter. (Acts 62nd Leg., R.S., Ch. 5, Sec. 21 (part).)

9 Source Law

10 Sec. 21. In carrying out the purposes of this
11 Act, the District will be performing an essential
12 public function, and

13 Revised Law

14 Sec. 1093.004. DISTRICT TERRITORY. The boundaries of the
15 district are coextensive with the boundaries of San Augustine
16 County, Texas. (Acts 62nd Leg., R.S., Ch. 5, Sec. 1 (part).)

17 Source Law

18 Sec. 1. . . . [hospital district] . . . with
19 boundaries coextensive with the boundaries of San
20 Augustine County, Texas,

21 Revised Law

22 Sec. 1093.005. 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 62nd Leg., R.S., Ch. 5, Sec. 22 (part).)

27 Source Law

28 Sec. 22. . . . [federal or State constitutions]
29 Where any procedure hereunder may be held by
30 any court to be violative of either of such
31 constitutions, the District shall have the power by
32 resolution to provide an alternative procedure
33 conformable with such constitutions. . . .

34 Revisor's Note

35 Section 22, Chapter 5, Acts of the 62nd
36 Legislature, Regular Session, 1971, provides that the
37 act does not violate the federal or state constitution
38 and requires that action under the act comply with the
39 constitutions. The revised law omits the reference to

1 the federal constitution because, under the Supremacy
2 Clause of the United States Constitution (Clause 2,
3 Article VI), federal law always takes precedence over
4 a state statute. The revised law also omits the
5 reference to the Texas Constitution because the state
6 cannot modify constitutional requirements by statute.
7 The omitted law reads:

8 Sec. 22. Nothing in this Act shall be
9 construed to violate any provision of the
10 federal or State constitutions, and all
11 acts done under this Act shall be in such
12 manner as will conform thereto, whether
13 expressly provided or not. . . .

14 Revised Law

15 Sec. 1093.006. 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. 5, Sec. 20 (part).)

19 Source Law

20 Sec. 20. The support and maintenance of the
21 hospital district shall never become a charge against
22 or obligation of the State of Texas,

23 Revised Law

24 Sec. 1093.007. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
25 The legislature may not make a direct appropriation for
26 construction, maintenance, or improvement of a district facility.
27 (Acts 62nd Leg., R.S., Ch. 5, Sec. 20 (part).)

28 Source Law

29 Sec. 20. . . . nor shall any direct
30 appropriation be made by the Legislature for the
31 construction, maintenance or improvement of any of the
32 facilities of such District.

33 Revisor's Note
34 (End of Subchapter)

35 Sections 4 and 7(b), Chapter 5, Acts of the 62nd
36 Legislature, Regular Session, 1971, provide
37 procedures for holding an election on the creation of
38 the district and the imposition of an ad valorem tax.
39 Because the creation of the district and the
40 imposition of the tax were approved at the election,

1 the revised law omits the relevant law as executed.

2 The omitted law reads:

3 Sec. 4. (a) . . . provided, however,
4 that the District shall not be created, nor
5 shall any tax therein be authorized unless
6 and until such creation and such tax are
7 approved by a majority of the qualified
8 electors of the area of the District voting
9 at an election called for that purpose.
10 Such election may be called by a majority of
11 the temporary or provisional directors
12 acting upon their own motion or shall be
13 called by said provisional directors upon
14 presentation of a petition therefor signed
15 by at least 100 qualified electors of the
16 designated area. Such election shall be
17 held not less than 35 nor more than 60 days
18 from the date the election is ordered. The
19 order calling the election shall specify
20 the date, place or places of holding the
21 election, the form of ballot, the presiding
22 judge and alternate judge for each such
23 voting place, and provide for clerks as in
24 county elections. The election order may
25 provide that the entire District shall
26 constitute one election precinct or the
27 county election precincts may be combined
28 for elections. Notice of election shall be
29 given by publishing a substantial copy of
30 the election order in a newspaper or
31 newspapers which individually or
32 collectively provide general circulation in
33 the county one time a week for two
34 consecutive weeks, the first publication to
35 appear at least 30 days prior to the date
36 established for the election. The failure
37 of such election shall not operate to
38 prohibit the calling and holding of
39 subsequent elections for the same purpose,
40 provided, however, that no District
41 election for confirmation can be held
42 within twelve months of any preceding
43 District election for confirmation, and,
44 further provided, that if this District is
45 not confirmed within 60 months from the
46 effective date of this Act, this Act is
47 hereby repealed.

48 (b) At the election there shall be
49 submitted to the qualified electors of the
50 county the proposition of whether the
51 hospital district shall be created with
52 authority to levy annual taxes . . . for the
53 purpose of meeting the requirements of the
54 District's bonds, and its maintenance and
55 operating expenses, and a majority of the
56 qualified electors voting at said election
57 in favor of the proposition shall be
58 sufficient for its adoption.

59 (c) The form of ballot used at the
60 election on the creation of the District
61 shall be in conformity with Sections 61 and
62 62, Texas Election Code, as amended
63 (Articles 6.05-6.07, Vernon's Texas
64 Election Code), so that ballots may be cast
65 "FOR" or "AGAINST" the following ballot
66 proposition: "The creation of San Augustine

1 City-County Hospital District, providing
2 for the levy of a tax to be set by the
3 Directors but not to exceed 75 cents on each
4 \$100 valuation, upon all taxable property
5 situated within said District, subject to
6 hospital district taxation, for all
7 hospital district purposes."

8 (d) Within ten days after such
9 election is held, the temporary or
10 provisional Directors shall convene and
11 canvass the returns of the election, and if
12 a majority of the qualified electors voting
13 at said election vote in favor of the
14 proposition, they shall so find and declare
15 the hospital district established and
16 created.

17 [Sec. 7]

18 (b) A separate proposition may be
19 submitted at the election for the creation
20 or confirmation of the District as to
21 whether the Board of Directors, in the event
22 the District is created, shall be
23 authorized to issue bonds for any one or
24 more of the foregoing purposes. The
25 proposition, if submitted, shall specify
26 the purpose for which the bonds are to be
27 issued, the maximum amount of bonds then
28 proposed to be issued, the maximum
29 maturity, and the maximum interest rate
30 thereon.

31 [Sections 1093.008-1093.050 reserved for expansion]

32 SUBCHAPTER B. DISTRICT ADMINISTRATION

33 Revised Law

34 Sec. 1093.051. BOARD APPOINTMENT; TERM. (a) The board
35 consists of seven directors appointed as follows:

36 (1) three directors appointed by the governing body of
37 the City of San Augustine;

38 (2) three directors appointed by the Commissioners
39 Court of San Augustine County; and

40 (3) one director jointly appointed by the City of San
41 Augustine and the Commissioners Court of San Augustine County.

42 (b) Directors serve staggered two-year terms. (Acts 62nd
43 Leg., R.S., Ch. 5, Sec. 3(d) (part).)

44 Source Law

45 (d) At such time as the creation of the District
46 is approved and the returns of the election officially
47 canvassed, the persons then serving as temporary
48 directors shall become permanent directors and
49 The three directors initially appointed by the
50 governing body of the City of San Augustine shall draw
51 by lot to determine which two are to serve for a term of
52 two years and which one for a term of one year. In the
53 same manner, the three directors initially appointed

1 by the Commissioners Court of San Augustine County
2 shall draw by lot to determine which two are to serve
3 for a term of two years and which one for a term of one
4 year. The director initially appointed by the
5 Commissioners Court and the governing body of the City
6 of San Augustine, acting together as an appointive
7 body, shall automatically be accorded a term of two
8 years. Thereafter, at the expiration of each term of
9 office of the members so appointed to serve as
10 directors of the District, the Commissioners Court and
11 the governing body of the City of San Augustine and the
12 two groups acting together as an appointive body shall
13 each respectively make, and continue to make, similar
14 appointments for a term of office of two years
15 each. . . .

16 Revisor's Note

17 (1) Sections 3(a), (b), and (c), Chapter 5, Acts
18 of the 62nd Legislature, Regular Session, 1971,
19 prescribe the procedure for the appointment and the
20 terms of service of the temporary directors on the
21 effective date of the act. The revised law omits those
22 provisions as executed. Throughout this chapter, the
23 revised law omits references to "temporary" directors
24 as executed. The omitted law reads:

25 Sec. 3. (a) Upon the effective date
26 of this Act, or as soon thereafter as
27 reasonably possible, the governing body of
28 the City of San Augustine shall appoint
29 three persons to serve as temporary or
30 provisional directors of the District, and
31 the Commissioners Court of San Augustine
32 County shall similarly appoint three
33 persons to serve as temporary or
34 provisional directors of the District. A
35 seventh director shall be selected and
36 appointed by the Commissioners Court and
37 the governing body of the City, acting
38 together as an appointive body. Each
39 temporary or provisional director shall
40 subscribe to the constitutional oath of
41 office within ninety days of the effective
42 date of this Act.

43 (b) Temporary directors shall serve
44 for a period of two years or until the
45 creation of the District is confirmed at an
46 election, whichever date shall first occur.
47 Any vacancy in the office of temporary
48 director, whether by reason of failure to
49 qualify or by the occurrence of a vacancy
50 prior to the confirmation of the District at
51 an election, shall be filled by the body
52 which made the initial appointment.

53 (c) The temporary or provisional
54 directors or a majority thereof may call an
55 election for approval of the creation of the
56 District and for the support thereof as
57 provided in Section 4 of this Act.

58 (2) Section 3(d), Chapter 5, Acts of the 62nd

1 Legislature, Regular Session, 1971, describes the
2 composition and terms of the initial permanent
3 directors and provides for those directors to continue
4 to serve after the creation of the district. The
5 revised law omits those provisions as executed but
6 codifies the establishment of a board consisting of
7 seven directors. Section 3(d) also establishes
8 staggered two-year terms for the directors that expire
9 in the first or second year after the appointment. The
10 revised law codifies the provision specifying
11 staggered terms but omits the provision relating to
12 the specific terms of the initial directors as
13 executed.

14 (3) Section 3(d), Chapter 5, Acts of the 62nd
15 Legislature, Regular Session, 1971, requires each
16 director to take the constitutional oath of office.
17 The revised law omits that provision because Section
18 1, Article XVI, Texas Constitution, requires all
19 officers to take the oath (or affirmation) before
20 assuming office. The omitted law reads:

21 (d) . . . [permanent directors]
22 . . . shall execute the constitutional oath
23 of office as such. . . .

24 Revised Law

25 Sec. 1093.052. QUALIFICATIONS FOR OFFICE. (a) A person may
26 not be appointed as a director unless the person is:

- 27 (1) a resident of the district;
28 (2) a freeholder; and
29 (3) a qualified voter.

30 (b) A person is not eligible to serve as a director if the
31 person is:

- 32 (1) the district administrator;
33 (2) a district employee; or
34 (3) a member of the hospital staff. (Acts 62nd Leg.,
35 R.S., Ch. 5, Sec. 3(e).)

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Source Law

(f) The Board of Directors, temporary and permanent, shall organize by electing one of their number as president and one of their number as vice-president. A secretary, who need not be a Director, shall also be elected. Officers shall be elected for a term of one year, and vacancies shall be filled for the unexpired term by the Board of Directors, temporary or permanent. . . .

Revised Law

Sec. 1093.056. COMPENSATION; EXPENSES. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

- (1) reported in the district's records; and
- (2) approved by the board. (Acts 62nd Leg., R.S., Ch. 5, Sec. 3(f) (part).)

Source Law

(f) . . . All members of the Board of Directors and officers shall serve without compensation, but may be reimbursed for actual expenses incurred in the performance of their official duties upon the approval of such expenses by the Board of Directors and so reported in the minute book of the District or other records of the District.

Revisor's Note

Section 3(f), Chapter 5, Acts of the 62nd Legislature, Regular Session, 1971, requires that approved expenses be reported in the "minute book of the District or other records of the District." The revised law omits the reference to the "minute book of the District" because the minute book is a district record.

Revised Law

Sec. 1093.057. VOTING REQUIREMENT. A concurrence of four directors is sufficient in any matter relating to district business. (Acts 62nd Leg., R.S., Ch. 5, Sec. 3(f) (part).)

Source Law

(f) . . . [members of the Board of Directors] . . . a concurrence of four shall be sufficient in all matters pertaining to the business of the District. . . .

1 Revisor's Note

2 Section 3(f), Chapter 5, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that four
4 directors constitute a quorum. The revised law omits
5 that provision because it duplicates Section 311.013,
6 Government Code (Code Construction Act), which
7 provides that a quorum of a public body is a majority
8 of the number of members fixed by statute. The omitted
9 law reads:

10 (f) . . . Any four members of the
11 Board of Directors shall constitute a
12 quorum, and

13 Revised Law

14 Sec. 1093.058. DISTRICT ADMINISTRATOR; ASSISTANT
15 ADMINISTRATOR. (a) The board may appoint a qualified person as a
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.
28 (Acts 62nd Leg., R.S., Ch. 5, Sec. 5 (part).)

29 Source Law

30 Sec. 5. . . . The Board of Directors may appoint
31 a qualified person to be known as the administrator or
32 manager of the hospital district and may in its
33 discretion appoint an assistant or assistants to the
34 administrator or manager. Such administrator or
35 manager and assistant administrator or manager, if
36 any, shall serve at the will of the Board of Directors
37 and shall receive such compensation as may be fixed by
38 the Board. The administrator or manager shall, upon
39 assuming his duties, execute a bond payable to the
40 hospital district in an amount to be set by the Board
41 of Directors, in no event less than \$5,000 conditioned

1 that he shall perform the duties that are required of
2 him, and containing such other conditions as the Board
3 may require. . . .

4 Revisor's Note

5 Section 5, Chapter 5, Acts of the 62nd
6 Legislature, Regular Session, 1971, provides that the
7 board shall appoint a person as the "administrator or
8 manager" of the district and may appoint an "assistant
9 or assistants to the administrator or manager."
10 Throughout this chapter, the revised law omits
11 "manager" because, in context, "manager" is included
12 in the meaning of "administrator."

13 Revised Law

14 Sec. 1093.059. 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 62nd
20 Leg., R.S., Ch. 5, Sec. 5 (part).)

21 Source Law

22 Sec. 5. . . . The administrator or manager
23 shall supervise all of the work and activities of the
24 District and shall have general direction of the
25 affairs of the District, subject to such limitations
26 as may be prescribed by the Board. . . .

27 Revised Law

28 Sec. 1093.060. APPOINTMENT AND DISMISSAL OF STAFF AND
29 EMPLOYEES. (a) The board may appoint to or dismiss from the staff
30 any doctors the board considers necessary for the efficient
31 operation of the district and may make temporary appointments as
32 warranted.

33 (b) The district may employ fiscal agents, accountants,
34 architects, and attorneys the board considers proper.

35 (c) The board may delegate to the district administrator the
36 authority to hire district employees, including technicians and
37 nurses. (Acts 62nd Leg., R.S., Ch. 5, Secs. 5 (part), 16.)

1 Source Law

2 Sec. 5. . . . The Board of Directors shall have
3 the authority to appoint or dismiss from the staff such
4 doctors as it may be deemed necessary for the efficient
5 operation of the District, and may provide for
6 temporary appointments to the staff if warranted by
7 circumstances. The Board may delegate to the
8 administrator or manager the authority to employ
9 technicians, nurses, and employees of the
10 District. . . .

11 Sec. 16. The District may employ fiscal agents,
12 accountants, architects, and attorneys, as the Board
13 may consider proper.

14 Revised Law

15 Sec. 1093.061. 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. 5, Sec. 5 (part).)

27 Source Law

28 Sec. 5. . . . The Board of Directors is given
29 full authority to establish rules and regulations
30 relating to seniority of employees of the District
31 (including a retirement plan based thereon) and may
32 give effect to previous years of service for those
33 employees who have been continuously employed in the
34 operation or management of the hospital facilities
35 acquired (including those acquired upon the creation
36 thereof by reason of Section 2 of this Act) or
37 constructed by the District. . . .

38 Revisor's Note

39 (1) Section 5, Chapter 5, Acts of the 62nd
40 Legislature, Regular Session, 1971, refers to "rules
41 and regulations." Throughout this chapter, the
42 revised law omits references to "regulations" because
43 under Section 311.005(5), Government Code (Code
44 Construction Act), a rule is defined to include a

1 regulation.

2 (2) Section 5, Chapter 5, Acts of the 62nd
3 Legislature, Regular Session, 1971, refers to
4 facilities acquired on creation "by reason of Section
5 2 of this Act." The revised law omits the quoted
6 language because the relevant portions of Section 2
7 were omitted for the reason stated in End of Chapter
8 Revisor's Note (1).

9 [Sections 1093.062-1093.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Revised Law

12 Sec. 1093.101. DISTRICT RESPONSIBILITY. The district has
13 full responsibility for:

14 (1) providing medical and hospital care for the
15 district's needy residents; and

16 (2) operating all hospital facilities for providing
17 medical and hospital care for the district's needy inhabitants.

18 (Acts 62nd Leg., R.S., Ch. 5, Secs. 4(a) (part), 19 (part).)

19 Source Law

20 Sec. 4. (a) The District hereby provided for
21 shall assume full responsibility for providing medical
22 and hospital care for the needy residing within the
23 District;

24 Sec. 19. . . . The said hospital district shall
25 assume full responsibility for the operation of all
26 hospital facilities for the furnishing of medical and
27 hospital care for its needy inhabitants.

28 Revisor's Note

29 Sections 4(a) and 19, Chapter 5, Acts of the 62nd
30 Legislature, Regular Session, 1971, provide that the
31 district "shall assume" full responsibility for
32 providing medical and hospital care for the district's
33 needy residents and for operating hospital facilities
34 for providing the care. The revised law substitutes
35 "has" for the quoted language because the duty to
36 assume the responsibility is executed.

1 Revised Law

2 Sec. 1093.102. RESTRICTION ON POLITICAL SUBDIVISION
3 TAXATION AND DEBT. A political subdivision located within the
4 district or that has the same boundaries as the district may not
5 impose a tax on district residents or issue bonds or other
6 obligations for hospital purposes or to provide medical care.
7 (Acts 62nd Leg., R.S., Ch. 5, Sec. 19 (part).)

8 Source Law

9 Sec. 19. After the creation of the hospital
10 district, no municipality or political subdivision
11 within or having the same boundaries as the District
12 shall have the power to levy taxes or issue bonds or
13 other obligations for hospital purposes or for
14 providing medical care. . . .

15 Revisor's Note

16 (1) Section 19, Chapter 5, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides that
18 "[a]fter the creation of the hospital district,"
19 certain political subdivisions may not levy taxes or
20 issue bonds. The revised law omits the quoted language
21 as executed. In addition, throughout this chapter,
22 the revised law substitutes "impose" for "levy"
23 because, in this context, the terms are synonymous and
24 the former is more commonly used.

25 (2) Section 19, Chapter 5, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to a
27 "municipality or political subdivision." Throughout
28 this chapter, the revised law omits references to
29 "municipality" in this context because "municipality"
30 is included in the meaning of "political subdivision."

31 Revised Law

32 Sec. 1093.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
33 The board shall manage, control, and administer the hospital system
34 and the district's money and resources. (Acts 62nd Leg., R.S., Ch.
35 5, Sec. 5 (part).)

36 Source Law

37 Sec. 5. The Board of Directors shall manage,

1 control, and administer the hospital system and all
2 funds and resources of the District, but

3 Revised Law

4 Sec. 1093.104. HOSPITAL SYSTEM. (a) The district shall
5 provide for the establishment of a hospital system by:

6 (1) purchasing, constructing, acquiring, repairing,
7 or renovating buildings and equipment;

8 (2) equipping the buildings; and

9 (3) administering the buildings and equipment for
10 hospital purposes.

11 (b) The hospital system may include:

12 (1) facilities for domiciliary care of the sick,
13 injured, or geriatric;

14 (2) facilities for outpatient clinics;

15 (3) dispensaries;

16 (4) convalescent home facilities;

17 (5) necessary nurses' domiciliaries and training
18 centers;

19 (6) blood banks;

20 (7) community mental health centers;

21 (8) research centers or laboratories; and

22 (9) any other facilities the board considers necessary
23 for hospital care. (Acts 62nd Leg., R.S., Ch. 5, Secs. 2 (part), 10
24 (part).)

25 Source Law

26 Sec. 2. . . . the District shall provide for the
27 establishment of a hospital system by the purchase,
28 construction, acquisition, repair, or renovation of
29 building and equipment, and equipping same, and the
30 administration thereof for hospital purposes. . . .

31 Sec. 10. . . . The hospital system may include
32 facilities for a domiciliary care of the sick,
33 wounded, and injured, and facilities for outpatient
34 clinic or clinics, dispensaries, facilities for
35 geriatric domiciliary care, convalescent home
36 facilities, necessary nurse domiciliaries, and
37 training centers, blood banks, community mental health
38 centers, and research centers or laboratories, and any
39 other facilities deemed necessary for hospital care by
40 the Directors. . . .

41 Revisor's Note

42 Section 10, Chapter 5, Acts of the 62nd

1 Legislature, Regular Session, 1971, refers to the care
2 of the "sick, wounded, and injured." The revised law
3 omits the reference to "wounded" because "wounded" is
4 included in the meaning of "injured."

5 Revised Law

6 Sec. 1093.105. 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 62nd Leg., R.S., Ch. 5, Sec.
9 5 (part).)

10 Source Law

11 Sec. 5. . . . The District, through its Board
12 of Directors, shall have the power and authority . . .
13 to promulgate rules and regulations governing the
14 operation of the hospital, hospital system, its staff
15 and its employees. . . .

16 Revisor's Note

17 Section 5, Chapter 5, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 board may "promulgate" rules to govern the district.
20 The revised law substitutes "adopt" for "promulgate"
21 because, in this context, the terms are synonymous and
22 the former is more commonly used.

23 Revised Law

24 Sec. 1093.106. PURCHASING AND ACCOUNTING PROCEDURES. The
25 board may prescribe:

26 (1) the method and manner of making purchases and
27 expenditures by and for the district; and

28 (2) all accounting and control procedures. (Acts 62nd
29 Leg., R.S., Ch. 5, Sec. 11 (part).)

30 Source Law

31 Sec. 11. The Board of Directors of such District
32 shall have the power to prescribe the method and manner
33 of making purchases and expenditures by and for the
34 hospital district and shall also be authorized to
35 prescribe all accounting and control procedures. . . .

36 Revised Law

37 Sec. 1093.107. DISTRICT PROPERTY, FACILITIES, AND
38 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 lease all or part of the district's
4 buildings or other facilities on terms considered to be in the best
5 interest of the district's inhabitants. The term of the lease may
6 not exceed 25 years.

7 (c) The district may acquire equipment for use in the
8 district's hospital system and mortgage or pledge the property as
9 security for the payment of the purchase price. A contract entered
10 into under this subsection must provide that the entire obligation
11 be retired not later than the fifth anniversary of the date of the
12 contract.

13 (d) The district may sell or otherwise dispose of any
14 property, including equipment, on terms the board finds are in the
15 best interest of the district's inhabitants. (Acts 62nd Leg.,
16 R.S., Ch. 5, Secs. 10 (part), 11 (part).)

17 Source Law

18 Sec. 10. The Board of Directors is hereby given
19 complete discretion as to the type of buildings, both
20 as to number and location, required to establish and
21 maintain an adequate hospital system. . . . The
22 District, through its Board of Directors, . . . may
23 lease all or part of its buildings and facilities upon
24 terms and conditions considered to be to the best
25 interests of its inhabitants, provided that in no
26 event shall any lease be for a period in excess of 25
27 years from the date entered. The District shall be
28 empowered to sell or otherwise dispose of any
29 property, real or personal, or equipment of any nature
30 upon terms and conditions found by the Board to be in
31 the best interests of its inhabitants.

32 Sec. 11. . . . The District may acquire
33 equipment for use in its hospital system and mortgage
34 or pledge the property so acquired as security for the
35 payment of the purchase price, but any such contract
36 shall provide for the entire obligation of the
37 District to be retired within five years from the date
38 of the contract. . . .

39 Revisor's Note

40 (1) Section 10, Chapter 5, Acts of the 62nd
41 Legislature, Regular Session, 1971, requires the board
42 to determine the buildings required to "establish and
43 maintain" an adequate hospital system. The revised
44 law omits the reference to establishing the hospital

1 system as executed.

2 (2) Section 10, Chapter 5, Acts of the 62nd
3 Legislature, Regular Session, 1971, refers to "terms
4 and conditions." The revised law omits the reference
5 to "conditions" because "conditions" is included in
6 the meaning of "terms."

7 (3) Section 10, Chapter 5, Acts of the 62nd
8 Legislature, Regular Session, 1971, refers to "any
9 property, real or personal." The revised law omits the
10 reference to "real or personal" property because under
11 Section 311.005, Government Code (Code Construction
12 Act), "property" means "real and personal property."

13 Revised Law

14 Sec. 1093.108. 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
28 restraining order or a temporary injunction; or

29 (3) provide a bond for costs or a supersedeas bond on
30 an appeal or petition for review. (Acts 62nd Leg., R.S., Ch. 5,
31 Sec. 15.)

32 Source Law

33 Sec. 15. The District shall have the right and
34 power of eminent domain for the purpose of acquiring by
35 condemnation any and all property of any kind and
36 character in fee simple or any lesser interest

1 therein, within the boundaries of the District
2 necessary to the powers, rights and privileges
3 conferred by this Act, in the manner provided by the
4 general law with respect to condemnation by counties,
5 provided that the District shall not be required to
6 make deposits in the registry of the trial court in the
7 sum required by Paragraph 2 of Article 3268, Revised
8 Civil Statutes of Texas, 1925, as amended, or to make
9 bond as therein provided. In condemnation proceedings
10 being prosecuted by the District, the District shall
11 not be required to pay in advance or give bond or other
12 security for costs in the trial court, nor to give any
13 bond otherwise required for the issuance of a
14 temporary restraining order or a temporary injunction
15 nor to give bond for costs or for supersedeas on any
16 appeal or writ of error.

17 Revisor's Note

18 (1) Section 15, Chapter 5, Acts of the 62nd
19 Legislature, Regular Session, 1971, provides that the
20 district has the "right and power of eminent domain for
21 the purpose of acquiring [property] by condemnation."
22 The revised law substitutes for the quoted language
23 "may exercise the power of eminent domain to acquire
24 [property]" because the phrases have the same meaning,
25 and the latter phrase is consistent with modern usage
26 in laws relating to eminent domain.

27 (2) Section 15, Chapter 5, Acts of the 62nd
28 Legislature, Regular Session, 1971, provides that the
29 district must exercise the power of eminent domain in
30 the manner provided by "the general law with respect to
31 condemnation by counties." The revised law
32 substitutes for the quoted language a reference to
33 Chapter 21, Property Code, because that is the general
34 law governing eminent domain for governmental
35 entities, including counties.

36 (3) Section 15, Chapter 5, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to
38 "Paragraph 2 of Article 3268, Revised Civil Statutes
39 of Texas, 1925, as amended." That statute was codified
40 in 1983 as Section 21.021(a), Property Code, and the
41 revised law is drafted accordingly. In addition,
42 throughout this chapter, the revised law omits the

1 references to "as amended" because under Section
2 311.027, Government Code (Code Construction Act), a
3 reference to a statute applies to all reenactments,
4 revisions, or amendments of that statute unless
5 expressly provided otherwise.

6 (4) Section 15, Chapter 5, Acts of the 62nd
7 Legislature, Regular Session, 1971, refers to a "writ
8 of error." The revised law substitutes "petition for
9 review" for "writ of error" because, effective
10 September 1, 1997, the Texas Supreme Court replaced
11 the writ of error procedure with the petition for
12 review procedure. See Rule 53.1, Texas Rules of
13 Appellate Procedure.

14 Revised Law

15 Sec. 1093.109. GIFTS AND ENDOWMENTS. The board may accept
16 for the district a gift or endowment to be held in trust and
17 administered by the board for the purposes and under the
18 directions, limitations, or other provisions prescribed in writing
19 by the donor that are not inconsistent with the proper management
20 and objectives of the district. (Acts 62nd Leg., R.S., Ch. 5, Sec.
21 18.)

22 Source Law

23 Sec. 18. The Board of Directors of the hospital
24 district is authorized to accept, on behalf of the
25 District, donations, gifts, and endowments (in
26 addition to any heretofore made to the existing
27 hospital) to be held in trust and administered by the
28 Board of Directors for such purposes and under such
29 directions, limitations, and provisions as may be
30 prescribed in writing by the donor, not inconsistent
31 with proper management and objects of the hospital
32 district.

33 Revisor's Note

34 (1) Section 18, Chapter 5, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to
36 "donations" and "gifts." The revised law omits the
37 reference to "donations" because "donations" is
38 included in the meaning of "gifts."

39 (2) Section 18, Chapter 5, Acts of the 62nd

1 Legislature, Regular Session, 1971, authorizes the
2 board to accept gifts and endowments "in addition to
3 any heretofore made to the existing hospital." The
4 revised law omits the quoted language as executed.

5 Revised Law

6 Sec. 1093.110. CONSTRUCTION OR PURCHASE CONTRACTS. A
7 construction or purchase contract that involves the expenditure of
8 more than \$2,000 may be made only after advertising in the manner
9 provided by Chapter 252 and Subchapter C, Chapter 262, Local
10 Government Code. (Acts 62nd Leg., R.S., Ch. 5, Sec. 11 (part).)

11 Source Law

12 Sec. 11. . . . All contracts for construction
13 or purchases involving the expenditure of more than
14 \$2,000 may be made only after advertising in the manner
15 provided by Chapter 163, Acts of the 42nd Legislature,
16 Regular Session, 1931, as amended (Article 2368a,
17 Vernon's Civil Statutes of Texas). . . .

18 Revisor's Note

19 (1) Section 11, Chapter 5, Acts of the 62nd
20 Legislature, Regular Session, 1971, permits
21 construction and purchase contracts involving more
22 than \$2,000 only after advertising in the manner
23 provided by Chapter 163, Acts of the 42nd Legislature,
24 Regular Session, 1931, as amended (Article 2368a,
25 Vernon's Texas Civil Statutes). Article 2368a was
26 amended by Chapter 641, Acts of the 69th Legislature,
27 Regular Session, 1985, which transferred provisions
28 relating to advertising for bids by counties to the
29 County Purchasing Act (V.A.C.S. Article 2368a.5). The
30 County Purchasing Act was codified in 1987 as
31 Subchapter C, Chapter 262, Local Government Code. The
32 provisions of Article 2368a relating to advertising
33 for bids by municipalities were codified in 1987 as
34 Chapter 252, Local Government Code. The revised law is
35 drafted accordingly.

36 (2) Section 11, Chapter 5, Acts of the 62nd
37 Legislature, Regular Session, 1971, provides that the

1 provisions of Article 5160, Revised Civil Statutes of
2 Texas, 1925, apply to the district's construction
3 contracts in relation to performance and payment
4 bonds. The revised law omits that reference because
5 Article 5160 was codified as Chapter 2253, Government
6 Code, and that chapter applies to hospital districts
7 on its own terms. The omitted law reads:

8 Sec. 11. . . . The provisions of
9 Article 5160, Revised Civil Statutes of
10 Texas, 1925, as amended, relating to
11 performance and payment bonds shall apply
12 to construction contracts let by the
13 District. . . .

14 Revised Law

15 Sec. 1093.111. 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. 5, Sec. 10
18 (part).)

19 Source Law

20 Sec. 10. . . . [The District, through its Board
21 of Directors,] is further authorized to enter into an
22 operating or management contract with regard to its
23 facilities or a part thereof, or

24 Revised Law

25 Sec. 1093.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
26 CARE AND TREATMENT. (a) The board may contract with a county or
27 municipality located outside the district's boundaries for the
28 hospitalization of a sick or injured person of that county or
29 municipality.

30 (b) The board may contract with this state or a federal
31 agency for the hospital treatment of a sick or injured person.
32 (Acts 62nd Leg., R.S., Ch. 5, Sec. 5 (part).)

33 Source Law

34 Sec. 5. . . . [The Board of Directors] . . .
35 shall be authorized to contract with any county, or
36 incorporated municipality located outside of its
37 boundaries for the hospitalization of the sick,
38 diseased, or injured persons of any such county or
39 municipality, and shall have the authority to contract
40 with the State of Texas or agencies of the federal
41 government for the hospitalization of sick, diseased
42 or injured persons. . . .

1 Revisor's Note

2 (1) Section 5, Chapter 5, Acts of the 62nd
3 Legislature, Regular Session, 1971, refers to an
4 "incorporated" municipality. The revised law omits
5 the reference to "incorporated" because under the
6 Local Government Code all municipalities must be
7 incorporated.

8 (2) Section 5, Chapter 5, Acts of the 62nd
9 Legislature, Regular Session, 1971, refers to the
10 treatment of a "sick, diseased, or injured person."
11 The revised law omits the reference to "diseased"
12 because "diseased" is included in the meaning of
13 "sick."

14 Revised Law

15 Sec. 1093.113. 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. 5, Sec. 5
20 (part).)

21 Source Law

22 Sec. 5. . . . The Board of Directors shall be
23 authorized to contract with any other political
24 subdivision or governmental agency whereby the
25 District will provide investigatory or other services
26 as to the hospital, or welfare needs of the inhabitants
27 of the District, and

28 Revised Law

29 Sec. 1093.114. PAYMENT FOR TREATMENT; PROCEDURES. (a)
30 When a patient who resides in the district is admitted to a district
31 facility, the district administrator may have an inquiry made into
32 the circumstances of:

33 (1) the patient; and

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

36 (b) If the district administrator determines that the
37 patient or those relatives can pay for all or part of the costs of

1 the patient's care and treatment, the patient or those relatives
2 shall be ordered to pay the district a specified amount each day or
3 week for the patient's care and support. The amount ordered must be
4 proportionate to the person's financial ability.

5 (c) The district administrator may collect the amount from
6 the patient's estate, or from any relative who is legally liable for
7 the patient's support, in the manner provided by law for the
8 collection of expenses of the last illness of a deceased person.
9 (Acts 62nd Leg., R.S., Ch. 5, Sec. 17.)

10 Source Law

11 Sec. 17. Whenever a patient residing within the
12 District has been admitted to the facilities thereof,
13 the administrator or manager may cause inquiry to be
14 made as to his circumstances and those of the relatives
15 of such patient legally liable for his support. If he
16 finds that such patient or said relatives are able to
17 pay for his care and treatment in whole or in part, an
18 order shall be made directing such payment or said
19 relatives to pay to the hospital district for the care
20 and support of such patient a specified sum per day or
21 per week in proportion to financial ability. The
22 administrator or manager shall have the power and
23 authority to collect such sums from the estate of the
24 patient or his relatives legally liable for his
25 support in the manner provided by law for collection of
26 expenses in the last illness of a deceased person.

27 Revised Law

28 Sec. 1093.115. AUTHORITY TO SUE AND BE SUED. (a) The
29 district, through the board, may sue and be sued.

30 (b) The district is entitled to all causes of action and
31 defenses to which similar authorities are entitled. (Acts 62nd
32 Leg., R.S., Ch. 5, Sec. 5 (part).)

33 Source Law

34 Sec. 5. . . . [The District, through its Board
35 of Directors, shall have the power and authority] to
36 sue and be sued, and shall be entitled to all causes of
37 action and defenses enjoyed by similar authorities,
38

39 [Sections 1093.116-1093.150 reserved for expansion]

40 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

41 Revised Law

42 Sec. 1093.151. BUDGET. (a) The district administrator
43 shall prepare an annual budget for approval by the board.

44 (b) The proposed budget must contain a complete financial

1 statement of:

2 (1) the outstanding obligations of the district;

3 (2) the cash on hand in each district fund;

4 (3) the money received by the district from all
5 sources during the previous year;

6 (4) the money available to the district from all
7 sources during the ensuing year;

8 (5) the balances expected at the end of the year in
9 which the budget is being prepared;

10 (6) the estimated revenue and balances available to
11 cover the proposed budget;

12 (7) the estimated tax rate required; and

13 (8) the proposed expenditures and disbursements and
14 the estimated receipts and collections for the following fiscal
15 year. (Acts 62nd Leg., R.S., Ch. 5, Sec. 6 (part).)

16 Source Law

17 Sec. 6. . . . The administrator or manager
18 shall prepare an annual budget for approval of the
19 Board of Directors. The budget shall also contain a
20 complete financial statement of the District showing
21 all outstanding obligations of the District, the cash
22 on hand to the credit of each and every fund of the
23 District, the funds received from all sources during
24 the previous year, the funds available from all
25 sources during the ensuing year, with balances
26 expected at the end of the year in which the budget is
27 being prepared, and estimated revenues and balances
28 available to cover the proposed budget and the
29 estimated tax rate which will be required, and the
30 proposed expenditures and disbursements and the
31 estimated receipts and collections for the following
32 fiscal year. . . .

33 Revised Law

34 Sec. 1093.152. NOTICE; HEARING; ADOPTION OF BUDGET.

35 (a) The board shall hold a public hearing on the proposed annual
36 budget.

37 (b) At least 10 days before the date of the hearing, notice
38 of the hearing shall be published one time in a newspaper or
39 newspapers that individually or collectively have general
40 circulation in the district.

41 (c) Any property taxpayer of the district is entitled to be
42 present and participate at the hearing.

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. 5, Sec. 6
6 (part).)

7 Source Law

8 Sec. 6. . . . A public hearing on the annual
9 budget shall be held by the Board of Directors after
10 notice of such hearing has been published one time at
11 least ten days before the date set therefor. Notice of
12 the hearing on budget shall be published in a newspaper
13 or newspapers which individually or collectively
14 provide general circulation in the hospital district.
15 Any property taxpayer of the District shall have the
16 right to be present and participate in said hearing.
17 At the conclusion of the hearing, the budget, as
18 proposed by the administrator or manager, shall be
19 acted upon by the Board of Directors. The Directors
20 shall have the authority to make such changes in the
21 budget as in their judgment the law warrants and the
22 interests of the taxpayers demand. . . . the annual
23 budget, and . . . shall be approved by the Board of
24 Directors. . . .

25 Revised Law

26 Sec. 1093.153. AMENDMENTS TO BUDGET. The budget may be
27 amended as required by circumstances. The board must approve all
28 amendments. (Acts 62nd Leg., R.S., Ch. 5, Sec. 6 (part).)

29 Source Law

30 Sec. 6. . . . The annual budget may be amended
31 from time to time as circumstances may require, but
32 . . . all amendments thereto, [shall be approved by
33 the Board of Directors.] . . .

34 Revisor's Note

35 Section 6, Chapter 5, Acts of the 62nd
36 Legislature, Regular Session, 1971, states that the
37 board may amend the budget "from time to time." The
38 revised law omits the quoted language because the
39 authority to take an action implies the authority to do
40 so at any time.

41 Revised Law

42 Sec. 1093.154. RESTRICTION ON EXPENDITURES. Money may be
43 spent only for an expense included in the budget or an amendment to
44 the budget. (Acts 62nd Leg., R.S., Ch. 5, Sec. 6 (part).)

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 62nd Leg., R.S., Ch. 5, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . As soon as is practicable after
8 the close of each fiscal year, the administrator or
9 manager shall prepare for the Board of Directors a full
10 sworn statement of all moneys belonging to the
11 District and a full account of the disbursement of
12 same.

13 Revised Law

14 Sec. 1093.159. DEPOSITORY. (a) The board shall select one
15 or more banks in the district to serve as a depository for district
16 money.

17 (b) District money, other than money invested as provided by
18 Section 1093.160, and money transmitted to a bank for payment of
19 bonds or obligations issued by the district, shall be deposited as
20 received with the depository bank and shall remain on deposit.

21 (c) This chapter, including Subsection (b), does not limit
22 the power of the board to place a part of district money on time
23 deposit or to purchase certificates of deposit. (Acts 62nd Leg.,
24 R.S., Ch. 5, Sec. 12.)

25 Source Law

26 Sec. 12. The Board of Directors of the District
27 shall name one or more banks within its boundaries to
28 serve as depository for the funds of the District. All
29 funds of the District, except those invested as
30 provided in Section 5 of this Act, and those
31 transmitted to a bank or banks as payment for bonds or
32 obligations issued by the District, shall be deposited
33 as received with the depository bank and shall remain
34 on deposit, provided that nothing herein shall limit
35 the power of the Board to place a portion of such funds
36 on time deposit or to purchase certificates of
37 deposit.

38 Revised Law

39 Sec. 1093.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
40 Except as otherwise provided by Section 1093.107(c) and by
41 Subchapter E, the district may not incur an obligation payable from
42 district revenue other than the revenue on hand or to be on hand in

1 the current and following district fiscal years.

2 (b) The board may invest operating, depreciation, or
3 building reserves only in funds or securities specified by Chapter
4 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 5, Secs. 5
5 (part), 11 (part).)

6 Source Law

7 Sec. 5. . . . in no event shall any operating,
8 depreciation, or building fund reserves be invested in
9 any funds or securities other than those specified in
10 Articles 836 or 837, Revised Civil Statutes of Texas,
11 1925, as amended. . . .

12 Sec. 11. . . . Except as permitted in the
13 preceding sentence and as permitted by Sections 7 and 8
14 of this Act, the District may incur no obligation
15 payable from any revenues of the District, taxes or
16 otherwise, except those on hand or to be on hand within
17 the then current and following fiscal year of the
18 District.

19 Revisor's Note

20 (1) Section 5, Chapter 5, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to
22 "Articles 836 or 837, Revised Civil Statutes of Texas,
23 1925, as amended." Those articles were impliedly
24 repealed by the enactment of the Public Funds
25 Investment Act of 1987 (Article 842a-2, Vernon's Texas
26 Civil Statutes), which was revised in 1993 as Chapter
27 2256, Government Code. Chapter 2256 defines "local
28 government" to include hospital districts and applies
29 to the district by its own terms. The revised law
30 therefore substitutes a reference to Chapter 2256,
31 Government Code, for the references to Articles 836
32 and 837.

33 (2) Section 11, Chapter 5, Acts of the 62nd
34 Legislature, Regular Session, 1971, states that
35 "[e]xcept as permitted in the preceding sentence and
36 as permitted by Sections 7 and 8," the district may not
37 incur certain obligations. The "preceding sentence"
38 in Section 11 is codified in Section 1093.107(c).
39 Sections 7 and 8 are codified in Subchapter E. The

1 revised law is drafted accordingly.

2 [Sections 1093.161-1093.200 reserved for expansion]

3 SUBCHAPTER E. BONDS

4 Revised Law

5 Sec. 1093.201. 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) the equipment of buildings and improvements for
11 hospital purposes. (Acts 62nd Leg., R.S., Ch. 5, Sec. 7(a) (part).)

12 Source Law

13 Sec. 7. (a) The Board of Directors shall have
14 the power and authority to issue and sell bonds in the
15 name and upon the faith and credit of the hospital
16 district for the purchase, construction, acquisition,
17 repair, or renovation of buildings, and improvements
18 and equipment of the same for hospital purposes, and
19 for any and all such purposes. . . .

20 Revisor's Note

21 Section 7(a), Chapter 5, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that the
23 board has the power and authority to issue and sell
24 bonds in the name and on the faith and credit of the
25 district. Because the type of bonds described by
26 Section 7(a) are known as "general obligation bonds,"
27 the revised law is drafted accordingly.

28 Revised Law

29 Sec. 1093.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
30 the time general obligation bonds are issued under Section
31 1093.201, the board shall impose an ad valorem tax at a rate
32 sufficient to create an interest and sinking fund to pay the
33 principal of and interest on the bonds as the bonds mature.

34 (b) The tax required by this section together with any other
35 ad valorem tax the district imposes may not in any year exceed the
36 tax rate approved by the voters at the election authorizing the
37 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 5, Sec. 7(a))

1 (part).)

2 Source Law

3 (a) . . . At the time of issuance of any bonds by
4 the District a tax shall be levied by the Board
5 sufficient to create an interest and sinking fund to
6 pay the interest on and principal of said bonds as same
7 mature, provided that such tax, together with any
8 other taxes levied for said District, shall not exceed
9 the rate of tax voted under the provisions of Section 4
10 of this Act. . . .

11 Revisor's Note

12 (1) Section 7(a), Chapter 5, Acts of the 62nd
13 Legislature, Regular Session, 1971, requires the
14 district to levy a tax to pay the principal of and
15 interest on bonds. The revised law specifies that the
16 tax is an "ad valorem" tax because it is clear from the
17 source law that the tax is a property tax and "ad
18 valorem" is the term most commonly used to refer to a
19 property tax.

20 (2) Section 7(a), Chapter 5, Acts of the 62nd
21 Legislature, Regular Session, 1971, provides that the
22 tax rate may not exceed "the rate of tax voted under
23 the provisions of Section 4 of this Act." Section 4
24 sets out procedures for the district's creation
25 election and requires voter approval of the district's
26 authority to impose taxes. Because the revised law
27 omits Section 4 for the reason stated in the revisor's
28 note at the end of Subchapter A, the revised law
29 substitutes "the tax rate approved by the voters at the
30 election authorizing the imposition of the tax" for
31 the quoted language.

32 Revised Law

33 Sec. 1093.203. GENERAL OBLIGATION BOND ELECTION. (a) The
34 district may issue general obligation bonds only if the bonds are
35 authorized by a majority of the district voters voting at an
36 election held for that purpose.

37 (b) The order calling the election shall provide for clerks
38 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 62nd Leg., R.S., Ch. 5,
9 Sec. 7(a) (part).)

10 Source Law

11 (a) . . . No bonds shall be issued by such
12 hospital district . . . until authorized by a majority
13 of the qualified electors of the District voting at an
14 election called for such purpose. The order for bond
15 election shall specify the date of the election, the
16 amount of bonds to be authorized, the maximum rate of
17 interest they are to bear, the place or places where
18 the election shall be held, the presiding judge and
19 alternate judge for each voting place, and provide for
20 clerks as in county elections. . . . notice of any bond
21 election shall be given as provided in Article 704,
22 Revised Civil Statutes of Texas, 1925, as amended, and
23 shall be conducted in accordance with the general laws
24 of the State of Texas pertaining to general elections,
25 except as modified by the provisions of this Act.

26 Revisor's Note

27 (1) Section 7(a), Chapter 5, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to a
29 majority vote of the "qualified electors." The
30 revised law omits "qualified" as unnecessary in this
31 context because Chapter 11, Election Code, governs
32 eligibility to vote in an election in this state and
33 allows only "qualified" voters who are residents of
34 the territory covered by the election to vote in an
35 election. The revised law substitutes "voter" for
36 "elector" because the former is the term used in the
37 Election Code.

38 (2) Section 7(a), Chapter 5, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides that
40 notice of a bond election under Section 7(b) must be
41 given as provided by Section 4. As explained in the

1 revisor's note to the end of Subchapter A, Sections 4
2 and 7(b), Chapter 5, are executed. The revised law
3 therefore omits the provision. The omitted law reads:

4 (a) . . . Except as to a bond
5 election held pursuant to the provisions of
6 Subsection (b) of this section, where
7 notice shall be given as provided in Section
8 4,

9 (3) Section 7(a), Chapter 5, Acts of the 62nd
10 Legislature, Regular Session, 1971, refers to Article
11 704, Revised Statutes, which specifies certain notice
12 requirements for a bond election. That provision was
13 codified in 1999 as Section 1251.003, Government Code.
14 The revised law is drafted accordingly.

15 (4) Section 7(a), Chapter 5, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that an
17 election under Section 7 "shall be conducted in
18 accordance with the general laws of the State of Texas
19 pertaining to general elections, except as modified by
20 the provisions of this Act." The general law on
21 elections in Texas is the Election Code. The revised
22 law omits the quoted language because Section 1.002,
23 Election Code, provides that the Election Code applies
24 to all elections held in this state. An exception to
25 the application of the Election Code would apply by its
26 own terms.

27 Revised Law

28 Sec. 1093.204. MATURITY OF GENERAL OBLIGATION BONDS.
29 District general obligation bonds must mature not later than 40
30 years after the date of issuance. (Acts 62nd Leg., R.S., Ch. 5,
31 Sec. 7(d) (part).)

32 Source Law

33 (d) Bonds of the District . . . shall mature
34 within 40 years of their date,

35 Revised Law

36 Sec. 1093.205. EXECUTION OF GENERAL OBLIGATION BONDS. (a)
37 The board president shall execute the general obligation bonds in

1 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. 5, Sec. 7(d) (part).)

5 Source Law

6 (d) [Bonds of the District] . . . shall be
7 executed in the name of the District and in its behalf
8 by the president of the Board of Directors and
9 countersigned by the secretary in the manner provided
10 by Chapter 204, Acts of the 57th Legislature, Regular
11 Session, 1961, as amended (Article 717j-1, Vernon's
12 Civil Statutes of Texas), and

13 Revisor's Note

14 (1) Section 7(d), Chapter 5, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to Chapter
16 204, Acts of the 57th Legislature, Regular Session,
17 1961, as amended (Article 717j-1, Vernon's Texas Civil
18 Statutes). That statute was codified in 1999 as
19 Chapter 618, Government Code, and the revised law is
20 drafted accordingly.

21 (2) Section 7(d), Chapter 5, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides in part
23 that general obligation bonds issued under Chapter 5
24 must bear interest at a rate not to exceed seven
25 percent a year. The revised law omits that provision
26 because it has been superseded by the enactment of the
27 maximum interest rate provision found in Section
28 1204.006, Government Code. That section reflects the
29 1981 amendment of Chapter 3, Acts of the 61st
30 Legislature, Regular Session, 1969 (Article 717k-2,
31 Vernon's Texas Civil Statutes, now Chapter 1204,
32 Government Code), by Section 1, Chapter 61, Acts of the
33 67th Legislature, Regular Session, 1981, and permits a
34 public agency, including a hospital district, to issue
35 public securities at any net effective interest rate
36 of 15 percent or less. Section 1204.006, Government
37 Code, applies to bonds issued under this chapter by

1 application of Section 1204.001, Government Code. The
2 omitted law reads:

3 (d) [Bonds of the District] shall
4 bear interest not to exceed 7 per cent per
5 year,

6 (3) Section 7(d), Chapter 5, Acts of the 62nd
7 Legislature, Regular Session, 1971, provides that the
8 general obligation bonds are subject to the law
9 governing counties that relates to bond approval by
10 the attorney general and registration of the bonds by
11 the comptroller. Section 7(d) also provides that
12 after approval and registration the bonds are
13 "incontestable for any cause." The revised law omits
14 those provisions as superseded by Chapter 1202,
15 Government Code (enacted as Article 3, Chapter 53,
16 Acts of the 70th Legislature, 2nd Called Session,
17 1987). Section 1202.003(a), Government Code, requires
18 bonds to be submitted to the attorney general. Section
19 1202.003(b), Government Code, provides for approval of
20 the bonds by the attorney general and requires the
21 attorney general to submit the approved bonds to the
22 comptroller for registration. Section 1202.005,
23 Government Code, requires registration of the bonds by
24 the comptroller. Section 1202.006, Government Code,
25 provides that after approval and registration the
26 bonds are incontestable and binding obligations.
27 Chapter 1202, Government Code, applies to bonds issued
28 under this chapter by application of Section 1202.001,
29 Government Code. The omitted law reads:

30 (d) [Bonds of the District] . . .
31 shall be subject to the same requirements in
32 the manner of approval by the Attorney
33 General of Texas and registration by the
34 Comptroller of Public Accounts of the State
35 of Texas as are by law provided for the
36 approval and registration of bonds issued
37 by counties. Upon the approval of such
38 bonds by the Attorney General and
39 registration by the Comptroller of Public
40 Accounts, the same shall be incontestable
41 for any cause.

1 Revised Law

2 Sec. 1093.206. REVENUE BONDS. (a) The board may issue
3 revenue bonds to:

4 (1) purchase, construct, acquire, repair, renovate,
5 or equip buildings or improvements for hospital purposes; or

6 (2) acquire sites to be used 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 hospitals.

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, 264.046, 264.047, 264.048, and 264.049, Health
15 and Safety Code, for issuance of revenue bonds by a county hospital
16 authority. (Acts 62nd Leg., R.S., Ch. 5, Sec. 8 (part).)

17 Source Law

18 Sec. 8. In addition to the power to issue bonds
19 payable from taxes levied by the District, as
20 contemplated by the preceding section, the Board of
21 Directors is further authorized to issue and . . .
22 revenue bonds for purchasing, constructing,
23 acquiring, repairing, equipping, or renovating
24 buildings and improvements for hospital purposes, and
25 for acquiring sites therefor, such bonds to be payable
26 from and secured by a pledge of all or any part of the
27 revenues of the District to be derived from the
28 operation of its hospital, and such bonds may be
29 additionally secured by a mortgage or deed of trust
30 lien upon any part or all of its properties. Such
31 bonds shall be issued in the manner and in accordance
32 with the procedures and requirements specified for the
33 issuance of revenue bonds by county hospital
34 authorities in Sections 8, 10, 11, 12, and 13 of
35 Chapter 122, Acts of the 58th Legislature, 1963
36 (Article 4494r, Vernon's Civil Statutes of Texas).

37 Revisor's Note

38 Section 8, Chapter 5, Acts of the 62nd
39 Legislature, Regular Session, 1971, refers to Sections
40 8, 10, 11, 12, and 13 of Chapter 122, Acts of the 58th
41 Legislature, 1963 (Article 4494r, Vernon's Texas Civil
42 Statutes). Those provisions were codified in 1989 as
43 Sections 264.042, 264.043, 264.046, 264.047, 264.048,

1 and 264.049, Health and Safety Code. The revised law
2 is drafted accordingly.

3 Revised Law

4 Sec. 1093.207. REFUNDING BONDS. (a) The board may, without
5 an election, issue refunding bonds to refund outstanding
6 indebtedness issued 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 indebtedness to be refunded; or

10 (2) exchanged wholly or partly for not less than a
11 similar principal amount of outstanding indebtedness. (Acts 62nd
12 Leg., R.S., Ch. 5, Secs. 7(a) (part), (c) (part), 8 (part).)

13 Source Law

14 Sec. 7. (a) . . . [No bonds shall be issued by
15 such hospital district] except refunding bonds [until
16 authorized by a majority of the qualified electors of
17 the District voting at an election called for such
18 purpose.] . . .

19 (c) Refunding bonds of the District may be
20 issued for the purpose of refunding and paying off any
21 outstanding indebtedness issued. Such refunding bonds
22 may be sold and the proceeds therefrom applied to the
23 payment of outstanding indebtedness, or may be
24 exchanged in whole or in part for not less than a like
25 principal amount of such outstanding indebtedness
26

27 Sec. 8. . . . [the Board of Directors is further
28 authorized] . . . to refund any previously issued
29 [revenue bonds]

30 Revisor's Note

31 (1) Section 7(c), Chapter 5, Acts of the 62nd
32 Legislature, Regular Session, 1971, provides that the
33 refunding bonds must bear interest at the same or a
34 lower rate than the rate of the debt refunded unless a
35 savings is shown. The revised law omits that provision
36 for the reason stated in Revisor's Note (2) to Section
37 1093.205. The omitted law reads:

38 (c) . . . provided that, if refunding
39 bonds are to be exchanged for a like amount
40 of said outstanding indebtedness, such
41 refunding bonds shall bear interest at the
42 same or lower rate than borne by the debt
43 refunded, unless it is shown mathematically
44 that a saving will result in the total

1 amount of interest to be paid on said
2 refunding bonds, and

3 (2) Section 7(c), Chapter 5, Acts of the 62nd
4 Legislature, Regular Session, 1971, provides that
5 refunding bonds sold to pay outstanding indebtedness
6 must be issued and payments made in the manner
7 specified by Chapter 503, Acts of the 54th
8 Legislature, Regular Session, 1955, as amended
9 (Article 717k, Vernon's Texas Civil Statutes).
10 Article 717k was codified in 1999 in Chapter 1207,
11 Government Code. The revised law omits the provision
12 because Chapter 1207, Government Code, applies to the
13 district by its own terms under Section 1207.001,
14 Government Code. The omitted law reads:

15 (c) . . . provided further that if
16 such refunding bonds are to be sold and the
17 proceeds thereof applied to the payment of
18 any such outstanding indebtedness, same
19 shall be issued and payable in the manner as
20 specified in Chapter 503, Acts of the 54th
21 Legislature, Regular Session, 1955, as
22 amended (Article 717k, Vernon's Civil
23 Statutes of Texas).

24 Revised Law

25 Sec. 1093.208. BONDS EXEMPT FROM TAXATION. The following
26 are exempt from taxation by this state or a political subdivision of
27 this state:

- 28 (1) bonds issued by the district;
29 (2) the transfer and issuance of the bonds; or
30 (3) profits made in the sale of the bonds. (Acts 62nd
31 Leg., R.S., Ch. 5, Sec. 21 (part).)

32 Source Law

33 Sec. 21. . . any bonds issued by it and their
34 transfer and the issuance therefrom, including any
35 profits made in the sale thereof, shall at all times be
36 free from taxation by the State or any municipality or
37 political subdivision thereof.

38 Revisor's Note
39 (End of Subchapter)

40 (1) Section 9, Chapter 5, Acts of the 62nd
41 Legislature, Regular Session, 1971, provides that
42 district bonds are authorized investments for certain

1 entities. The revised law omits the provision as
2 unnecessary. As to several of the entities listed,
3 Section 9 has been superseded and impliedly repealed.
4 Investments in securities by banks are regulated by
5 Section 34.101, Finance Code (enacted in 1995 as
6 Section 5.101, Texas Banking Act (Article 342-5.101,
7 Vernon's Texas Civil Statutes)). Investments in
8 securities by savings banks are regulated by Section
9 93.001(c)(10), Finance Code (enacted in 1993 as
10 Section 7.15(10), Texas Savings Bank Act (Article
11 489e, Vernon's Texas Civil Statutes)). Investments in
12 securities by trust companies are regulated by Section
13 184.101, Finance Code (enacted in 1997 as Section
14 5.101, Texas Trust Company Act (Article 342a-5.101,
15 Vernon's Texas Civil Statutes)). Investments in
16 securities by savings and loan associations are
17 regulated by Sections 63.002 and 64.001, Finance Code.
18 As to the remaining entities listed, Section 9 is
19 superseded by Section 1201.041, Government Code,
20 enacted as Section 9, Bond Procedures Act of 1981
21 (Article 717k-6, Vernon's Texas Civil Statutes).
22 Section 1201.041, Government Code, applies to bonds
23 issued under this chapter by application of Section
24 1201.002, Government Code. The revised law omits the
25 reference to public funds of this state because it has
26 been superseded by Section 404.024, Government Code
27 (enacted in 1985 as Section 2.014, Treasury Act
28 (Article 4393-1, Vernon's Texas Civil Statutes)),
29 which governs the investment of state funds. Section
30 404.024(b)(10), Government Code, authorizes the
31 investment of state funds in obligations of political
32 subdivisions, including hospital districts. The
33 omitted law reads:

34 Sec. 9. All bonds issued hereunder by
35 the District shall be and are hereby

1 declared to be legal and authorized
2 investments of banks, savings banks, trust
3 companies, insurance companies, building
4 and loan associations, savings and loan
5 associations, trustees, and sinking funds
6 of cities, towns, villages, counties,
7 school districts, or other political
8 subdivisions of the State of Texas, and for
9 all public funds of the State of Texas or
10 its agencies including the State Permanent
11 School Fund. . . .

12 (2) Section 9, Chapter 5, Acts of the 62nd
13 Legislature, Regular Session, 1971, effectively
14 provides that district bonds may secure deposits of
15 public funds of this state or political subdivisions
16 of this state. The revised law omits the provisions as
17 impliedly repealed by Section 404.0221, Government
18 Code (enacted in 1995), which lists eligible
19 collateral for deposits of state funds by the
20 comptroller, and by Chapter 2257, Government Code
21 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
22 Statutes), which governs eligible collateral for
23 deposits of funds of other public agencies, including
24 political subdivisions. The omitted law reads:

25 Sec. 9. . . . Such bonds and
26 indebtedness shall be eligible to secure
27 deposit of public funds of the State of
28 Texas and public funds of cities, towns,
29 villages, counties, school districts, or
30 other political subdivisions or
31 corporations of the State of Texas, and
32 shall be lawful and sufficient surety for
33 said deposits to the extent of their value
34 when accompanied by all unmatured coupons
35 appurtenant thereto.

36 [Sections 1093.209-1093.250 reserved for expansion]

37 SUBCHAPTER F. TAXES

38 Revised Law

39 Sec. 1093.251. IMPOSITION OF AD VALOREM TAX. (a) The board
40 shall impose a tax on all property in the district subject to
41 district taxation.

42 (b) The board shall impose the tax to:

43 (1) pay the interest on and create a sinking fund for
44 bonds or other obligations issued or assumed by the district for
45 hospital purposes;

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

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

5 (4) acquire necessary sites for the hospital system by
6 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 5,
7 Secs. 4(b) (part), 13 (part).)

8 Source Law

9 [Sec. 4]

10 (b) . . . [annual taxes] . . . of taxable
11 property situated in the District subject to hospital
12 district taxation

13 Sec. 13. The Board of Directors shall annually
14 levy a tax . . . for the purpose of (1) paying the
15 interest on and creating a sinking fund for bonds and
16 other obligations which may be issued or assumed by the
17 hospital district for hospital purposes as herein
18 provided; (2) providing for the operation and
19 maintenance of the hospital district and hospital
20 system; and (3) making further improvements and
21 additions to the hospital system or acquiring
22 necessary sites therefor by purchase, lease, or
23 condemnation. . . .

24 Revised Law

25 Sec. 1093.252. 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.

28 (b) In setting the tax rate, the board shall consider the
29 income of the district from sources other than taxation. (Acts 62nd
30 Leg., R.S., Ch. 5, Secs. 4(b) (part), 13 (part).)

31 Source Law

32 [Sec. 4]

33 (b) [At the election there shall be submitted to
34 the qualified electors of the county the proposition
35 of whether the hospital district shall be created with
36 authority to levy annual taxes] at a rate to be set by
37 the Directors but not to exceed 75 cents on the \$100
38 valuation [of taxable property situated in the
39 District subject to hospital district taxation]
40

41 Sec. 13. [The Board of Directors shall annually
42 levy a tax] not to exceed the amount hereinabove
43 permitted In setting such tax rates, the Board
44 shall take into consideration the income of the
45 District from sources other than taxation. . . .

46 Revisor's Note

47 Section 13, Chapter 5, Acts of the 62nd

1 comprehensive, substantive codification of property
2 tax law. Title 1, Tax Code, provides the exclusive
3 procedures for the appraisal of property for taxation
4 by a taxing unit, including a hospital district. The
5 omitted law reads:

6 Sec. 14. . . . All taxes of the
7 District shall be assessed and collected on
8 county tax values as provided in Subsection
9 (1) hereof

10 (1) . . . District taxes shall
11 be assessed and collected on county tax
12 values in the same manner as provided by law
13 with relation to county taxes. . . .

14 (2) Section 14(1), Chapter 5, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to the tax
16 assessor-collector "of the county." The revised law
17 substitutes "San Augustine County" for the quoted
18 language because that is the county in which the
19 district is located.

20 (3) Section 14(1), Chapter 5, Acts of the 62nd
21 Legislature, Regular Session, 1971, provides that the
22 county tax assessor-collector may charge a fee for the
23 assessment and collection of district taxes. The
24 revised law omits that provision because it was
25 repealed by Section 6(b), Chapter 841, Acts of the 66th
26 Legislature, Regular Session, 1979. See Revisor's
27 Note (1). Section 6.27(b), Tax Code, provides for the
28 compensation of a county tax assessor-collector
29 assessing and collecting taxes for another taxing
30 unit. The omitted law reads:

31 (1) The
32 assessor-collector of taxes shall charge
33 and deduct from payments to the hospital
34 district an amount as fees for assessing and
35 collecting the taxes at a rate of not
36 exceeding two per cent of the amounts
37 collected as may be determined by the Board
38 of Directors, but in no event shall the
39 amount paid exceed \$5,000 in any one
40 calendar year. Such fees shall be deposited
41 in the officers salary fund of the county
42 and reported as fees of office of the county
43 tax assessor-collector. . . .

44 (4) Section 14(1), Chapter 5, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides that
2 interest and penalties on district taxes and discounts
3 are the same as for county taxes. The revised law
4 omits that provision because it was repealed by
5 Section 6(b), Chapter 841, Acts of the 66th
6 Legislature, Regular Session, 1979. See Revisor's
7 Note (1). Chapter 33, Tax Code, provides for the
8 assessment of penalties and interest on delinquent
9 taxes, and Section 31.05, Tax Code, provides for
10 discounts on the early payment of taxes. The omitted
11 law reads:

12 (1) . . . Interest and
13 penalties on taxes paid to the hospital
14 district shall be the same as in the case of
15 county taxes. Discounts shall be the same
16 as allowed by the county. . . .

17 (5) Section 14(1), Chapter 5, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that tax
19 revenue shall be deposited in the district's
20 depository. The revised law omits the provision
21 because Section 31.10, Tax Code, requires the tax
22 assessor-collector of a taxing unit to deposit taxes
23 collected in the unit's depository. The omitted law
24 reads:

25 (1) . . . The residue of tax
26 collections after deductions of discounts
27 and fees for assessing and collecting shall
28 be deposited in the District's
29 depository. . . .

30 (6) Section 14(1), Chapter 5, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 bond of the county tax assessor-collector is security
33 for the performance of district duties unless the
34 board determines that an additional bond is necessary.
35 The revised law omits that provision because it
36 duplicates Section 6.29(b), Tax Code, which authorizes
37 a taxing unit for which the county tax
38 assessor-collector collects a tax to require that

1 collector to post an additional bond. The omitted law
2 reads:

3 (1) . . . The bond of the
4 county tax assessor-collector shall stand
5 as security for the proper performance of
6 his duties as assessor-collector of the
7 District; or, if in the judgment of the
8 District Board of Directors it is
9 necessary, additional bond payable to the
10 District may be required. . . .

11 (7) Section 14(1), Chapter 5, Acts of the 62nd
12 Legislature, Regular Session, 1971, states that the
13 tax assessor-collector may act in accordance with
14 state law relating to the assessment, collection, and
15 enforcement of state and county taxes. The revised law
16 omits that provision as unnecessary. The state law
17 relating to the assessment, collection, and
18 enforcement of all ad valorem taxes is Title 1, Tax
19 Code. Section 1.02, Tax Code, requires all taxing
20 units of government to administer the assessment,
21 collection, and enforcement of taxes in conformity
22 with that title. The omitted law reads:

23 (1) . . . In all matters
24 pertaining to the assessment, collection
25 and enforcement of taxes for the District,
26 the county tax assessor-collector shall be
27 authorized to act in all respects according
28 to the laws of the State of Texas relating
29 to State and county taxes. . . .

30 Revised Law

31 Sec. 1093.254. ASSESSMENT AND COLLECTION BY DISTRICT TAX
32 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
33 assessed and collected by a tax assessor-collector appointed by the
34 board. An election under this subsection must be made by December 1
35 and governs the manner in which taxes are assessed and collected,
36 until changed by a similar resolution.

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

38 (1) reside in the district; and

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

40 (c) The board shall set for the district tax
41 assessor-collector:

- 1 (1) the term of employment; and
2 (2) compensation. (Acts 62nd Leg., R.S., Ch. 5, Sec.
3 14 (part).)

4 Source Law

5 Sec. 14. . . . [unless the Directors, by
6 majority vote, elect to have taxes assessed and
7 collected by its own assessor-collector under
8 Subsection (2) hereof.] Any such election may be made
9 prior to December 1 annually and shall govern the
10 manner in which the taxes are thereafter assessed and
11 collected until changed by a similar resolution.

12
13 (2) Under this subsection, taxes shall be
14 assessed and collected by a tax assessor-collector
15 appointed by the Directors, who shall also fix the
16 terms of his employment, compensation, and
17 the tax assessor shall be residents of the
18 District and own real property subject to hospital
19 district taxation, and

20 Revisor's Note

21 (1) Section 14(2), Chapter 5, Acts of the 62nd
22 Legislature, Regular Session, 1971, requires the board
23 to set a bond amount of not less than \$5,000 as
24 security for the district tax assessor-collector. The
25 revised law omits the provision because it was
26 repealed by Section 6(b), Chapter 841, Acts of the 66th
27 Legislature, Regular Session, 1979. See Revisor's
28 Note (1) to Section 1093.253. Section 6.29(a), Tax
29 Code, authorizes the governing body of a taxing unit,
30 including a hospital district, to require the unit's
31 tax assessor-collector to post bond without limiting
32 the amount. The omitted law reads:

33 (2) [Directors, who
34 shall also fix the] . . . requirements for
35 bond to assure the faithful performance of
36 his duties, but in no event shall such bonds
37 be for less than \$5,000. . . .

38 (2) Section 14(2), Chapter 5, Acts of the 62nd
39 Legislature, Regular Session, 1971, states that the
40 board shall appoint a board of equalization and
41 establishes the duties of that board and the tax
42 assessor-collector. The revised law omits the
43 reference to a board of equalization because boards of

1 equalization were abolished and their functions and
2 duties transferred to appraisal review boards by the
3 1979 enactment of the Property Tax Code, Title 1, Tax
4 Code (Section 1, Chapter 841, Acts of the 66th
5 Legislature, Regular Session, 1979). The provisions
6 relating to the duties of the tax assessor-collector
7 are omitted because the Tax Code specifies the duties
8 of a tax assessor-collector. The omitted law reads:

9 (2) . . . The Directors shall
10 also annually appoint five persons to serve
11 as the board of equalization and shall fix
12 their compensation. Each member of the
13 board and . . . [shall be residents of the
14 District and own real property subject to
15 hospital district taxation, and] each shall
16 have the same duties, including the
17 obligation to execute the oath of office, as
18 required by county officials exercising
19 such powers and duties. . . .

20 (3) Section 14(2), Chapter 5, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to the
22 applicability of Title 122 of the Revised Statutes
23 (Taxation). Before its repeal and recodification,
24 Title 122 was composed of V.A.C.S. Articles
25 7041-7359a. The relevant parts of those provisions
26 were revised in 1979 as the Property Tax Code, Title 1,
27 Tax Code (Section 1, Chapter 841, Acts of the 66th
28 Legislature, Regular Session, 1979). The revised law
29 omits the provision because Title 1 applies to the
30 district on its own terms. The omitted law reads:

31 (2) . . . Except as in this law
32 provided to the contrary, all provisions of
33 Title 122, Revised Civil Statutes of Texas,
34 1925, as amended, shall apply to the
35 District.

36 Revisor's Note
37 (End of Subchapter)

38 Section 14, Chapter 5, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides that the
40 district may impose taxes for the entire year in which
41 the district is established. The revised law omits
42 that provision as executed. The omitted law reads:

1 Sec. 14. The Directors shall have the
2 authority to levy taxes for the entire year
3 in which the District is established as a
4 result of the election herein provided.
5 . . .

6 Revisor's Note
7 (End of Chapter)

8 (1) Sections 2 and 5, Chapter 5, Acts of the 62nd
9 Legislature, Regular Session, 1971, provide for the
10 sale or transfer of certain land, buildings,
11 improvements, equipment, and choses in action to the
12 district after the district is created and provide for
13 the assumption of debt by the district on creation.
14 The revised law omits the provisions as executed. The
15 omitted law reads:

16 Sec. 2. The District herein
17 authorized to be created shall take over and
18 there shall be transferred to it title to
19 all lands, buildings, improvements,
20 equipment, and choses in action in anywise
21 pertaining to the hospital owned by the City
22 of San Augustine, and thereafter
23 Such District shall assume all outstanding
24 obligations and indebtedness incurred by
25 the City for hospital purposes prior to the
26 creation of said District.

27 Sec. 5. . . . The hospital district
28 created by this Act is authorized to
29 purchase from any city hospital within the
30 District, and each said authority is hereby
31 authorized to sell to said hospital
32 district, any and all hospital facilities,
33 including all lands, buildings, equipment
34 and properties owned by them upon such terms
35 and for such prices as they may mutually
36 agree. If any such hospital authority sells
37 its facilities to the District, that
38 authority shall no longer be authorized to
39 perform hospital services within the
40 boundaries of the District herein
41 authorized nor issue bonds therefor.

42 (2) Section 22, Chapter 5, Acts of the 62nd
43 Legislature, Regular Session, 1971, provides that the
44 act is severable. The revised law omits this provision
45 because it duplicates Section 311.032, Government Code
46 (Code Construction Act), which provides that a
47 provision of a statute is severable from each other
48 provision of the statute that can be given effect. The
49 omitted law reads:

1 Sec. 22. . . . If any provision of
2 this Act should be held to be invalid, such
3 fact shall not affect the authorization for
4 the creation of the District or the validity
5 of any other provision of this Act, and the
6 Legislature hereby declares that it would
7 have created the District and enacted the
8 valid provisions of this Act
9 notwithstanding the invalidity of any other
10 provision or provisions hereof.

11 (3) Section 23, Chapter 5, Acts of the 62nd
12 Legislature, Regular Session, 1971, provides that
13 public notice of enactment of the statute was provided
14 in a manner that satisfies the requirements of the
15 Texas Constitution. The revised law omits that
16 section as executed. The omitted law reads:

17 Sec. 23. Proof of publication of the
18 notice required in the enactment hereof
19 under the provisions of Article IX, Section
20 9, of the Constitution of the State of
21 Texas, has been made in the manner and form
22 provided by law pertaining to the enactment
23 of local and special laws, and such notice
24 is hereby found and declared proper and
25 sufficient to satisfy such requirement.

26 CHAPTER 1094. SEMINOLE HOSPITAL DISTRICT OF GAINES COUNTY, TEXAS

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34		SUBCHAPTER A. GENERAL PROVISIONS	

1 Revised Law

2 Sec. 1094.001. 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 Seminole Hospital District of
7 Gaines County, Texas. (New.)

8 Revisor's Note

9 The definitions of "board," "director," and
10 "district" are added to the revised law for drafting
11 convenience and to eliminate frequent, unnecessary
12 repetition of the substance of the definitions.

13 Revised Law

14 Sec. 1094.002. AUTHORITY FOR CREATION. The Seminole
15 Hospital District of Gaines County, Texas, is created under the
16 authority of Section 9, Article IX, Texas Constitution. (Acts 62nd
17 Leg., R.S., Ch. 102, Sec. 1.)

18 Source Law

19 Sec. 1. By authority of Article IX, Section 9,
20 of the Texas Constitution, this Act authorizes the
21 creation of Seminole Hospital District of Gaines
22 County, Texas.

23 Revised Law

24 Sec. 1094.003. ESSENTIAL PUBLIC FUNCTION. The district
25 performs an essential public function in carrying out the purposes
26 of this chapter. (Acts 62nd Leg., R.S., Ch. 102, Sec. 22 (part).)

27 Source Law

28 Sec. 22. In carrying out the purposes of this
29 Act, the district will be performing an essential
30 public function and

31 Revised Law

32 Sec. 1094.004. DISTRICT TERRITORY. The district is
33 composed of the territory in the boundaries of the Seminole Common
34 Consolidated School District No. 1 located in Gaines County as
35 those boundaries existed on April 29, 1971, unless the district's
36 boundaries are expanded under Subchapter D. (Acts 62nd Leg., R.S.,
37 Ch. 102, Sec. 2.)

1 procedures for holding an election on the creation of
2 the district and the imposition of an ad valorem tax.
3 Because the creation of the district and the
4 imposition of the tax were approved at the election,
5 the revised law omits the relevant law as executed.
6 The omitted law reads:

7 Sec. 4. (a) The district shall not
8 be created, nor shall any tax therein be
9 authorized unless and until the creation
10 and the tax are approved by a majority of
11 the electors of the area of the proposed
12 district, voting at an election called for
13 that purpose. The election may be called by
14 a majority of the temporary or provisional
15 directors or shall be called by a majority
16 of the temporary or provisional directors
17 on presentation of a petition theretofore
18 signed by at least 50 electors of the area
19 of the proposed district. The election
20 shall be held not less than 25 nor more than
21 60 days from the date the election is
22 ordered. The order calling the election
23 shall specify the date, place or places of
24 holding the election, the form of ballot,
25 the presiding judge and alternate judge for
26 each voting place, and provide for clerks as
27 in county elections. The election order may
28 provide that the entire district shall
29 constitute one election precinct or the
30 county election precincts within the
31 district may be combined for elections.
32 Notice of election shall be given by
33 publishing a substantial copy of the
34 election order in a newspaper or newspapers
35 which individually or collectively provide
36 general circulation in the county or
37 district once a week for two consecutive
38 weeks, the first publication to appear at
39 least 20 days prior to the date established
40 for the election. The failure of such
41 election shall not operate to prohibit the
42 calling and holding of subsequent elections
43 for the same purpose; provided, however,
44 that no district election for confirmation
45 can be held within 12 months of any
46 preceding district election for
47 confirmation, and, further provided, if
48 this district is not confirmed within 60
49 months from the effective date of this Act,
50 this Act is hereby repealed.

51 (b) At the election there shall be
52 submitted to the electors of the area of the
53 proposed district the proposition of
54 whether the hospital district shall be
55 created with authority to levy annual taxes
56 . . . for the purpose of meeting the
57 requirements of the district's bonds,
58 indebtedness assumed by it, and its
59 maintenance and operating expenses, and a
60 majority of the electors voting at the
61 election in favor of the proposition shall
62 be sufficient for its adoption.

1 (c) The form of ballot used at the
2 election on the creation of the district
3 shall be in conformity with Sections 61 and
4 62, Texas Election Code, as amended
5 (Articles 6.05-6.06, Vernon's Texas
6 Election Code), so that ballots may be cast
7 "FOR" or "AGAINST" the following ballot
8 proposition: "The creation of the Seminole
9 Hospital District of Gaines County, Texas,
10 providing for the levy of a tax not to
11 exceed 75 cents on each \$100 valuation, upon
12 all taxable property situated within the
13 district, subject to hospital district
14 taxation, for all hospital district
15 purposes, and providing for the assumption
16 by the district of all outstanding bonds and
17 indebtedness heretofore issued for hospital
18 district purposes by Gaines County and the
19 City of Seminole within the district."

20 (d) Within 10 days after the election
21 is held, the provisional or temporary
22 directors of the district shall convene and
23 canvass the returns of the election, and if
24 a majority of the electors voting at the
25 election is in favor of the proposition,
26 they shall so find and declare the hospital
27 district established and created.

28 [Sec. 8]

29 (b) A separate proposition may be
30 submitted at the election for the creation
31 or confirmation of the district as to
32 whether the board of directors, in the event
33 the district is created, shall be
34 authorized to issue bonds for any one or
35 more of the foregoing purposes. The
36 proposition, if submitted, shall specify
37 the purpose for which the bonds are to be
38 issued, the maximum amount of bonds then
39 proposed to be issued, the maximum
40 maturity, and the maximum interest rate.

41 [Sections 1094.008-1094.050 reserved for expansion]

42 SUBCHAPTER B. DISTRICT ADMINISTRATION

43 Revised Law

44 Sec. 1094.051. BOARD ELECTION; TERM. (a) The board
45 consists of seven directors elected from the district at large.

46 (b) Unless four-year terms are established under Section
47 285.081, Health and Safety Code, directors serve staggered two-year
48 terms. (Acts 62nd Leg., R.S., Ch. 102, Secs. 5(a) (part), (b)
49 (part).)

50 Source Law

51 Sec. 5. (a) . . . The terms of the first,
52 third, fifth and seventh named directors shall expire
53 on the first Saturday in April of the year following
54 the election creating the district, and the terms of
55 the second, fourth, and sixth named directors shall
56 expire on the first Saturday in April of the second
57 year following the election creating the district.

1 Successors shall be elected by a vote of the electors
2 of the entire district for two year terms.

3 (b) . . . [permanent directors] whose terms
4 shall expire as hereinabove provided. . . .

5 Revisor's Note

6 (1) Sections 5(a) and (b), Chapter 102, Acts of
7 the 62nd Legislature, Regular Session, 1971, prescribe
8 the procedures for electing the initial board of
9 directors. The revised law omits those provisions as
10 executed but codifies the establishment of a board
11 consisting of seven directors elected from the
12 district at large. Section 5(a) also establishes
13 staggered two-year terms for the initial elected
14 directors that expire in the first or second year after
15 the election. The revised law codifies the provision
16 specifying staggered terms but omits the provision
17 relating to the year on which the initial terms expire
18 as executed.

19 (2) Section 5(a), Chapter 102, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that
21 directors serve two-year terms. Section 285.081,
22 Health and Safety Code, applicable to this district,
23 provides a mechanism by which the governing board of a
24 hospital district, on its own motion, may order that
25 the members are to be elected in even-numbered years to
26 serve staggered four-year terms. The revised law is
27 drafted accordingly and adds a reference to Section
28 285.081, Health and Safety Code, for the convenience
29 of the reader.

30 (3) Sections 5(a) and (b), Chapter 102, Acts of
31 the 62nd Legislature, Regular Session, 1971, prescribe
32 the procedure for the appointment of temporary
33 directors and for electing the initial board of
34 permanent directors and provide that the permanent
35 board may exercise the powers hereafter conferred.
36 The revised law omits the provisions related to the

1 temporary and initial board as executed. The revised
2 law omits the provision related to powers because any
3 grant of power to the board would apply by its own
4 terms. The omitted law reads:

5 Sec. 5. (a) On the effective date of
6 this Act, the following named seven persons
7 shall be and constitute the temporary or
8 provisional directors of the district:

- 9 1. Jamiel Aryain
- 10 2. Brom Marchbanks
- 11 3. Paul Condit
- 12 4. Don Moore
- 13 5. Ken Willis
- 14 6. James Phillips
- 15 7. Delbert Warren

16 and each of the directors shall subscribe to
17 the constitutional oath of office within 60
18 days of the effective date of this Act.
19 Should any of the named directors refuse to
20 act or for any reason fail to qualify as
21 herein required, the remaining temporary or
22 provisional directors heretofore named
23 shall by majority vote, appoint a successor
24 or successors to fill such vacancy or
25 vacancies. . . .

26 (b) The directors named herein and
27 their successors in office shall hold
28 office as provisional or temporary
29 directors until such time as the creation of
30 the district has been approved at an
31 election as herein provided. At such time
32 as the creation of the district is so
33 approved and the returns of the election
34 officially canvassed, the persons acting as
35 provisional or temporary directors shall
36 become permanent directors . . . such
37 permanent directors, acting as a board,
38 shall have and exercise the powers
39 hereafter conferred on such board.

40 (4) Section 5(b), Chapter 102, Acts of the 62nd
41 Legislature, Regular Session, 1971, requires each
42 director to execute the constitutional oath of office.
43 The revised law omits that provision because Section
44 1, Article XVI, Texas Constitution, requires all
45 officers in this state to take the oath (or
46 affirmation) before assuming office. The omitted law
47 reads:

48 (b) . . . Each permanent director
49 and his successor in office shall qualify by
50 executing the constitutional oath of
51 office, and . . .

52 (5) Section 5(e), Chapter 102, Acts of the 62nd
53 Legislature, Regular Session, 1971, provides that

1 directors' elections are held on the first Saturday in
2 April each year. The revised law omits that provision
3 as repealed by a 1986 amendment to Section 41.001,
4 Election Code. Chapter 14, Acts of the 69th
5 Legislature, 3rd Called Session, 1986, amended Section
6 41.001, Election Code, to prescribe certain uniform
7 election dates. Section 37 of that act required a
8 political subdivision that had held its general
9 election of officers on the first Saturday in April to
10 hold that election on a uniform election date in May or
11 to choose a different uniform election date on which to
12 hold the election. The omitted law reads:

13 (e) A regular election of directors
14 shall be held on the first Saturday in April
15 of each year, and

16 Revised Law

17 Sec. 1094.052. NOTICE OF ELECTION. At least 10 days before
18 the date of an election of directors, notice of the election shall
19 be published one time in a newspaper of general circulation in
20 Gaines County. (Acts 62nd Leg., R.S., Ch. 102, Sec. 5(e) (part).)

21 Source Law

22 (e) [A regular election of directors] . . .
23 notice of such election shall be published in a
24 newspaper of general circulation in the county one
25 time at least 10 days prior to the date of election.
26 . . .

27 Revisor's Note

28 Section 5(e), Chapter 102, Acts of the 62nd
29 Legislature, Regular Session, 1971, requires notice of
30 a directors' election to be published "in the county."
31 The revised law substitutes "Gaines County" for the
32 quoted language because Gaines County is the county in
33 which the district is located.

34 Revised Law

35 Sec. 1094.053. BALLOT PETITION. A person who wants to have
36 the person's name printed on the ballot as a candidate for director
37 must file with the board secretary a petition requesting that

1 action. The petition must be:

2 (1) signed by at least 25 voters; and

3 (2) filed at least 25 days before the date of the
4 election. (Acts 62nd Leg., R.S., Ch. 102, Sec. 5(e) (part).)

5 Source Law

6 (e) . . . Any person desiring his name to be
7 printed on the ballot as a candidate for director shall
8 file a petition, signed by not less than 25 electors
9 asking that his name be printed on the ballot, with the
10 secretary of the board of directors of the district.
11 The petition shall be so filed at least 25 days prior
12 to the date of election.

13 Revisor's Note

14 Section 5(e), Chapter 102, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to a
16 petition signed by 25 "electors." Throughout this
17 chapter, the revised law substitutes "voters" for
18 "electors" because the former is the term used in the
19 Election Code.

20 Revised Law

21 Sec. 1094.054. QUALIFICATIONS FOR OFFICE. A person may not
22 be elected or appointed as a director unless the person:

23 (1) is a resident of the district;

24 (2) owns property in the district subject to taxation;

25 and

26 (3) is more than 18 years of age at the time of the
27 election or appointment. (Acts 62nd Leg., R.S., Ch. 102, Sec.
28 5(c).)

29 Source Law

30 (c) No person shall be a member of the board of
31 directors of the hospital district unless he is a
32 resident thereof and owns property subject to taxation
33 therein and unless at the time of such election or
34 appointment he shall be more than 21 years of age.

35 Revisor's Note

36 Section 5(c), Chapter 102, Acts of the 62nd
37 Legislature, Regular Session, 1971, states that a
38 person must be "more than 21 years of age" at the time
39 of election or appointment to qualify for election or

1 appointment as a director. The revised law
2 substitutes "more than 18 years of age" for the quoted
3 language because Chapter 129, Civil Practice and
4 Remedies Code, establishes 18 years as the age of
5 majority in this state. Section 129.002, Civil
6 Practice and Remedies Code, provides that a law
7 adopted before August 27, 1973, that extends a right,
8 privilege, or obligation to an individual on the basis
9 of a minimum age of 19, 20, or 21 years shall be
10 interpreted as prescribing a minimum age of 18 years.
11 Section 5(c) was enacted in 1971 and has not been
12 amended.

13 Revised Law

14 Sec. 1094.055. 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 five
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 62nd Leg., R.S., Ch. 102, Sec. 5(d) (part).)

23 Source Law

24 (d) . . . All vacancies in the office of
25 director shall be filled for the unexpired term by
26 appointment of the remainder of the board of
27 directors. In the event the number of directors shall
28 be reduced to less than five for any reason, the
29 remaining directors shall immediately call a special
30 election to fill the vacancies, and upon failure to do
31 so, the district court, on application of any elector
32 or taxpayer of the district, may issue a mandate
33 requiring that the election be ordered by the
34 remaining directors.

35 Revised Law

36 Sec. 1094.056. OFFICERS. The board shall elect:

37 (1) a president and a vice president from among its
38 members; and

39 (2) a secretary, who need not be a director. (Acts

1 62nd Leg., R.S., Ch. 102, Sec. 5(d) (part).)

2 Source Law

3 (d) The board of directors shall organize by
4 electing one of their number as president and one of
5 their number as vice-president. A secretary, who need
6 not be a director, shall also be elected. . . .

7 Revised Law

8 Sec. 1094.057. VOTING REQUIREMENT. A concurrence of four
9 directors is sufficient in any matter relating to district
10 business. (Acts 62nd Leg., R.S., Ch. 102, Sec. 5(d) (part).)

11 Source Law

12 (d) . . . [members of the board of directors]
13 . . . a concurrence of four shall be sufficient in all
14 matters pertaining to the business of the district.
15 . . .

16 Revisor's Note

17 Section 5(d), Chapter 102, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that four
19 directors constitute a quorum. The revised law omits
20 that provision because it duplicates Section 311.013,
21 Government Code (Code Construction Act), which
22 provides that a quorum of a public body is a majority
23 of the number of members fixed by statute. The omitted
24 law reads:

25 (d) . . . Any four members of the
26 board of directors shall constitute a
27 quorum and

28 Revised Law

29 Sec. 1094.058. DISTRICT ADMINISTRATOR; ASSISTANT
30 ADMINISTRATOR. (a) The board may appoint a qualified person as
31 district administrator.

32 (b) The board may appoint one or more assistant
33 administrators.

34 (c) The district administrator and any assistant
35 administrator serve at the will of the board and are entitled to the
36 compensation determined by the board.

37 (d) On assuming the duties of district administrator, the
38 administrator shall execute a bond payable to the district in an

1 amount set by the board of not less than \$5,000 that:

2 (1) is conditioned on the administrator performing the
3 administrator's duties; and

4 (2) contains other conditions the board may require.

5 (Acts 62nd Leg., R.S., Ch. 102, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . The board of directors may
8 appoint a qualified person to be known as the
9 administrator or manager of the hospital district and
10 may in its discretion appoint an assistant or
11 assistants to the administrator or manager. The
12 administrator or manager and assistant administrator
13 or manager, if any, shall serve at the will of the
14 board and shall receive such compensation as may be
15 fixed by the board. The administrator or manager
16 shall, upon assuming his duties, execute a bond
17 payable to the hospital district in an amount to be set
18 by the board of directors, in no event less than
19 \$5,000, conditioned that he shall perform the duties
20 required of him, and containing such other conditions
21 as the board may require. . . .

22 Revisor's Note

23 Section 6, Chapter 102, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that the
25 board may appoint a person as the "administrator or
26 manager" of the district and may appoint an "assistant
27 or assistants to the administrator or manager."
28 Throughout this chapter, the revised law omits
29 "manager" because, in context, "manager" is included
30 in the meaning of "administrator."

31 Revised Law

32 Sec. 1094.059. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
33 Subject to the limitations prescribed by the board, the district
34 administrator shall:

35 (1) supervise the work and activities of the district;
36 and

37 (2) direct the affairs of the district. (Acts 62nd
38 Leg., R.S., Ch. 102, Sec. 6 (part).)

39 Source Law

40 Sec. 6. . . . The administrator or manager
41 shall supervise all the work and activities of the
42 district and shall have general direction of the
43 affairs of the district, subject to the limitations as

1 may be prescribed by the board. . . .

2 Revised Law

3 Sec. 1094.060. APPOINTMENT AND DISMISSAL OF STAFF AND
4 EMPLOYEES. (a) The board may appoint to or dismiss from the staff
5 any doctors as the board considers necessary for the efficient
6 operation of the district and may make temporary appointments as
7 warranted.

8 (b) The district may employ fiscal agents, accountants,
9 architects, and attorneys the board considers proper.

10 (c) The board may delegate to the district administrator the
11 authority to hire district employees, including technicians and
12 nurses. (Acts 62nd Leg., R.S., Ch. 102, Secs. 6 (part), 17.)

13 Source Law

14 Sec. 6. . . . The board of directors shall have
15 the authority to appoint to or dismiss from the staff
16 such doctors as it may be deemed necessary for the
17 efficient operation of the district, and may provide
18 for temporary appointments to the staff if warranted
19 by circumstances. The board may delegate to the
20 administrator or manager the authority to employ
21 technicians, nurses, and employees of the district.
22 . . .

23 Sec. 17. The district may employ fiscal agents,
24 accountants, architects, and attorneys as the board
25 may consider proper.

26 Revised Law

27 Sec. 1094.061. SENIORITY; RETIREMENT BENEFITS. The board
28 may:

29 (1) adopt rules related to the seniority of district
30 employees, including rules for a retirement plan based on
31 seniority; and

32 (2) give effect to previous years of service for
33 district employees continuously employed in the operation or
34 management of hospital facilities:

35 (A) constructed by the district; or

36 (B) acquired by the district, including
37 facilities acquired when the district was created. (Acts 62nd
38 Leg., R.S., Ch. 102, Sec. 6 (part).)

39 Source Law

40 Sec. 6. . . . The board is given full authority

1 to establish rules and regulations relating to
2 seniority of employees of the district, including a
3 retirement plan based thereon, and may give effect to
4 previous years of service for those employees who have
5 been continuously employed in the operation or
6 management of the hospital facilities acquired,
7 including those acquired upon the creation thereof by
8 reason of Section 3 of this Act, or constructed by the
9 district. . . .

10 Revisor's Note

11 (1) Section 6, Chapter 102, Acts of the 62nd
12 Legislature, Regular Session, 1971, refers to "rules
13 and regulations" established by the board. Throughout
14 this chapter, the revised law omits references to
15 "regulations" because under Section 311.005(5),
16 Government Code (Code Construction Act), a rule is
17 defined to include a regulation.

18 (2) Section 6, Chapter 102, Acts of the 62nd
19 Legislature, Regular Session, 1971, refers to
20 facilities acquired on creation "by reason of Section
21 3 of this Act." The revised law omits the quoted
22 language because the relevant portions of Section 3
23 were omitted for the reason stated in End of Chapter
24 Revisor's Note (1).

25 [Sections 1094.062-1094.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Revised Law

28 Sec. 1094.101. DISTRICT RESPONSIBILITY. (a) The district
29 has full responsibility for providing hospital care for the
30 district's indigent residents.

31 (b) The district shall provide all necessary hospital and
32 medical care for the district's needy inhabitants. (Acts 62nd
33 Leg., R.S., Ch. 102, Secs. 3(a) (part), 20 (part).)

34 Source Law

35 Sec. 3. (a) . . . This district shall provide
36 all necessary hospital and medical care for the needy
37 inhabitants of the district.

38 Sec. 20. . . . The hospital district shall
39 assume full responsibility for providing hospital care
40 for the indigents residing within the district. . . .

1 Revisor's Note

2 Section 20, Chapter 102, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 district "shall assume" full responsibility for
5 providing hospital care for indigents residing in the
6 district. The revised law substitutes "has" for the
7 quoted language because the duty to assume the
8 responsibility is executed.

9 Revised Law

10 Sec. 1094.102. RESTRICTION ON POLITICAL SUBDIVISION
11 TAXATION AND DEBT. A political subdivision of this state, other
12 than the district, may not impose a tax or issue bonds or other
13 obligations for hospital purposes or to provide medical care in the
14 district. (Acts 62nd Leg., R.S., Ch. 102, Secs. 3(a) (part), 20
15 (part).)

16 Source Law

17 Sec. 3. (a) . . . After this district is
18 created as provided in Section 4 of this Act, no other
19 municipality or political subdivision of this State
20 may levy taxes or issue bonds or other obligations of
21 indebtedness for purpose of providing hospital service
22 or medical care within the district. . . .

23 Sec. 20. After creation of the hospital
24 district, no municipality or political subdivision
25 within the boundaries of the district shall have the
26 power to levy taxes or issue bonds or other obligations
27 for hospital purposes or for providing medical care.
28 . . .

29 Revisor's Note

30 (1) Sections 3(a) and 20, Chapter 102, Acts of
31 the 62nd Legislature, Regular Session, 1971, provide
32 that after creation of the district, certain political
33 subdivisions may not levy taxes or issue bonds. The
34 revised law omits the references to the creation of the
35 district as executed. In addition, throughout this
36 chapter, the revised law substitutes "impose" for
37 "levy" because, in this context, the terms are
38 synonymous and the former is more commonly used.

39 (2) Sections 3(a) and 20, Chapter 102, Acts of

1 the 62nd Legislature, Regular Session, 1971, refer to
2 a "municipality or political subdivision."
3 Throughout this chapter, the revised law omits
4 references to "municipality" because "municipality"
5 is included in the meaning of "political subdivision."

6 Revised Law

7 Sec. 1094.103. 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.
10 102, Sec. 6 (part).)

11 Source Law

12 Sec. 6. The board of directors shall manage,
13 control, and administer the hospital system and all
14 funds and resources of the district, but

15 Revised Law

16 Sec. 1094.104. HOSPITAL SYSTEM. (a) The district has the
17 responsibility to establish a hospital or hospital system within
18 its boundaries to provide hospital and medical care to the
19 district's residents.

20 (b) The district shall provide for:

21 (1) the establishment of a hospital system by:

22 (A) purchasing, constructing, acquiring,
23 repairing, or renovating buildings and equipment; and

24 (B) equipping the buildings; and

25 (2) the administration of the hospital system for
26 hospital and medical care purposes.

27 (c) The hospital system may include:

28 (1) facilities for domiciliary care of the sick,
29 injured, or geriatric;

30 (2) facilities for outpatient clinics;

31 (3) dispensaries;

32 (4) convalescent home facilities;

33 (5) necessary nurses domiciliaries and training
34 centers;

35 (6) blood banks;

- 1 (7) community mental health centers;
2 (8) research centers or laboratories; and
3 (9) any other facilities the board considers necessary
4 for medical and hospital care. (Acts 62nd Leg., R.S., Ch. 102,
5 Secs. 3(a) (part), (b) (part), 10 (part).)

6 Source Law

7 Sec. 3. (a) The district authorized to be
8 created by this Act is charged with the responsibility
9 of establishing a hospital or a hospital system within
10 its boundaries to furnish hospital and medical care to
11 the residents of the district. . . .

12 (b) . . . the district shall provide for the
13 establishment of a hospital system by the purchase,
14 construction, acquisition, repair, or renovation of
15 buildings and equipment, and equipping same, and the
16 administration thereof for hospital and medical care
17 purposes. . . .

18 Sec. 10. . . . The hospital system may include
19 facilities for domiciliary care of the sick, wounded,
20 and injured, facilities for outpatient clinic or
21 clinics, dispensaries, facilities for geriatric
22 domiciliary care, convalescent home facilities,
23 necessary nurses domiciliaries and training centers,
24 blood banks, community mental health centers, and
25 research centers or laboratories, and any other
26 facilities deemed necessary for medical and hospital
27 care by the directors. . . .

28 Revisor's Note

29 Section 10, Chapter 102, Acts of the 62nd
30 Legislature, Regular Session, 1971, refers to the care
31 of the "sick, wounded, and injured." The revised law
32 omits the reference to "wounded" because "wounded" is
33 included in the meaning of "injured."

34 Revised Law

35 Sec. 1094.105. RULES. The board may adopt rules governing
36 the operation of the hospital, the hospital system, and the
37 district's staff and employees. (Acts 62nd Leg., R.S., Ch. 102,
38 Sec. 6 (part).)

39 Source Law

40 Sec. 6. . . . The district, through its board
41 of directors, shall have the power and authority . . .
42 to promulgate rules and regulations governing the
43 operation of the hospital, hospital system, its staff,
44 and its employees. . . .

45 Revisor's Note

46 Section 6, Chapter 102, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides that the
2 board may "promulgate" rules to govern the district.
3 The revised law substitutes "adopt" for "promulgate"
4 because the terms are synonymous and the former is more
5 commonly used.

6 Revised Law

7 Sec. 1094.106. 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 62nd
12 Leg., R.S., Ch. 102, Sec. 11 (part).)

13 Source Law

14 Sec. 11. The board of directors of the district
15 shall have the power to prescribe the method and manner
16 of making purchases and expenditures by and for the
17 hospital district, and shall also be authorized to
18 prescribe all accounting and control procedures. . . .

19 Revised Law

20 Sec. 1094.107. 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.

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.

28 (c) The district may acquire equipment for use in the
29 district's hospital system and mortgage or pledge the property as
30 security for the payment of the purchase price. A contract entered
31 into under this subsection must provide that the entire obligation
32 be retired not later than the fifth anniversary of the date of the
33 contract.

34 (d) The district may sell or otherwise dispose of any
35 property, including equipment, on terms the board finds are in the
36 best interest of the district's inhabitants. (Acts 62nd Leg.,

1 R.S., Ch. 102, Secs. 10 (part), 11 (part).)

2 Source Law

3 Sec. 10. The board of directors is hereby given
4 complete discretion as to the type of buildings, both
5 as to number and location, required to establish and
6 maintain an adequate hospital system. . . . The
7 district, through its board of directors, . . . may
8 lease all or part of its buildings and facilities upon
9 terms and conditions considered to be to the best
10 interest of its inhabitants, provided that in no event
11 shall any lease be for a period in excess of 25 years
12 from the date entered. The district shall be empowered
13 to sell or otherwise dispose of any property, real or
14 personal, or equipment of any nature upon terms and
15 conditions found by the board to be in the best
16 interest of its inhabitants.

17 Sec. 11. . . . The district may acquire
18 equipment for use in its hospital system and mortgage
19 or pledge the property so acquired as security for the
20 payment of the purchase price, but any such contract
21 shall provide for the entire obligation of the
22 district to be retired within five years from the date
23 of the contract. . . .

24 Revisor's Note

25 (1) Section 10, Chapter 102, Acts of the 62nd
26 Legislature, Regular Session, 1971, requires the board
27 to determine the type of buildings required to
28 "establish and maintain" an adequate hospital system.
29 The revised law omits the reference to establishing
30 the hospital system as executed.

31 (2) Section 10, Chapter 102, Acts of the 62nd
32 Legislature, Regular Session, 1971, refers to "terms
33 and conditions." The revised law omits the reference
34 to "conditions" because "conditions" is included in
35 the meaning of "terms."

36 (3) Section 10, Chapter 102, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to "any
38 property, real or personal." The revised law omits the
39 reference to "real or personal" property because under
40 Section 311.005, Government Code (Code Construction
41 Act), "property" means "real and personal property."

42 Revised Law

43 Sec. 1094.108. EMINENT DOMAIN. (a) The district may
44 exercise the power of eminent domain to acquire a fee simple or

1 other interest in any type of property located in district
2 territory if the interest is necessary for the district to exercise
3 a power, right, or privilege 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 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 petition for review. (Acts 62nd Leg., R.S., Ch. 102,
16 Sec. 15.)

17 Source Law

18 Sec. 15. The district shall have the right and
19 power of eminent domain for the purpose of acquiring by
20 condemnation any and all property of any kind and
21 character in fee simple, or any lesser interest
22 therein, within the boundaries of the district
23 necessary to the powers, rights, and privileges
24 conferred by this Act, in the manner provided by the
25 general law with respect to condemnation by counties,
26 provided that the district shall not be required to
27 make deposits in the registry of the trial court of the
28 sum required by Paragraph 2 of Article 3268, Revised
29 Civil Statutes of Texas, 1925, as amended, or to make
30 bond as therein provided. In condemnation proceedings
31 being prosecuted by the district, the district shall
32 not be required to pay in advance or give bond or other
33 security for costs in the trial court, nor to give any
34 bond otherwise required for the issuance of a
35 temporary restraining order or a temporary injunction
36 nor to give bond for costs or for supersedeas on any
37 appeal or writ of error.

38 Revisor's Note

39 (1) Section 15, Chapter 102, Acts of the 62nd
40 Legislature, Regular Session, 1971, provides that the
41 district has the "right and power of eminent domain for
42 the purpose of acquiring [property] by condemnation."
43 The revised law substitutes for the quoted language
44 "may exercise the power of eminent domain to acquire

1 [property]" because the phrases have the same meaning,
2 and the latter phrase is consistent with modern usage
3 in laws relating to eminent domain.

4 (2) Section 15, Chapter 102, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides that the
6 district must exercise the power of eminent domain in
7 the manner provided by "the general law with respect to
8 condemnation by counties." The revised law
9 substitutes for the quoted language a reference to
10 Chapter 21, Property Code, because that is the general
11 law governing eminent domain for governmental
12 entities, including counties.

13 (3) Section 15, Chapter 102, Acts of the 62nd
14 Legislature, Regular Session, 1971, refers to
15 "Paragraph 2 of Article 3268, Revised Civil Statutes
16 of Texas, 1925, as amended." That statute was codified
17 in 1983 as Section 21.021(a), Property Code. The
18 revised law is drafted accordingly. In addition,
19 throughout this chapter, the revised law omits the
20 references to "as amended" because under Section
21 311.027, Government Code (Code Construction Act), a
22 reference to a statute applies to all reenactments,
23 revisions, or amendments of that statute unless
24 expressly provided otherwise.

25 (4) Section 15, Chapter 102, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to a "writ
27 of error." The revised law substitutes "petition for
28 review" for "writ of error" because, effective
29 September 1, 1997, the Texas Supreme Court replaced
30 the writ of error procedure with the petition for
31 review procedure. See Rule 53.1, Rules of Appellate
32 Procedure.

33 Revised Law

34 Sec. 1094.109. 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 62nd Leg., R.S., Ch. 102,
6 Sec. 19.)

7 Source Law

8 Sec. 19. The board of directors of the hospital
9 district is authorized on behalf of the district to
10 accept donations, gifts, and endowments to be held in
11 trust and administered by the board of directors for
12 such purposes and under such directions, limitations,
13 and provisions as may be prescribed in writing by the
14 donor not inconsistent with proper management and
15 object of the hospital district.

16 Revisor's Note

17 Section 19, Chapter 102, Acts of the 62nd
18 Legislature, Regular Session, 1971, refers to
19 "donations" and "gifts." The revised law omits the
20 reference to "donations" because "donations" is
21 included in the meaning of "gifts."

22 Revised Law

23 Sec. 1094.110. CONSTRUCTION OR PURCHASE CONTRACTS. A
24 construction or purchase contract that involves the expenditure of
25 more than \$2,000 may be made only after advertising in the manner
26 provided by Chapter 252 and Subchapter C, Chapter 262, Local
27 Government Code. (Acts 62nd Leg., R.S., Ch. 102, Sec. 11 (part).)

28 Source Law

29 Sec. 11. . . . All contracts for construction
30 or purchases involving the expenditure of more than
31 \$2,000 may be made only after advertising in the manner
32 provided by Chapter 163, Acts of the 42nd Legislature,
33 Regular Session, 1931, as amended (Article 2368a,
34 Vernon's Texas Civil Statutes). . . .

35 Revisor's Note

36 (1) Section 11, Chapter 102, Acts of the 62nd
37 Legislature, Regular Session, 1971, permits
38 construction or purchase contracts involving more than
39 \$2,000 only after advertising as provided by Chapter
40 163, Acts of the 42nd Legislature, Regular Session,

1 1931, as amended (Article 2368a, Vernon's Texas Civil
2 Statutes). Article 2368a was amended by Chapter 641,
3 Acts of the 69th Legislature, Regular Session, 1985,
4 which transferred provisions relating to advertising
5 for bids by counties to the County Purchasing Act
6 (V.A.C.S. Article 2368a.5). The County Purchasing Act
7 was codified in 1987 as Subchapter C, Chapter 262,
8 Local Government Code. Article 2368a, relating to
9 advertising for bids by municipalities, was codified
10 in 1987 as Chapter 252, Local Government Code. The
11 revised law is drafted accordingly.

12 (2) Section 11, Chapter 102, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 provisions of Article 5160, Revised Civil Statutes of
15 Texas, 1925, apply to the district's construction
16 contracts in relation to performance and payment
17 bonds. The revised law omits this reference because
18 Article 5160 was codified as Chapter 2253, Government
19 Code, and that chapter applies to hospital districts
20 on its own terms. The omitted law reads:

21 Sec. 11. . . . The provisions of
22 Article 5160, Revised Civil Statutes of
23 Texas, 1925, as amended, relating to
24 performance and payment of bonds shall
25 apply to construction contracts let by the
26 district. . . .

27 Revised Law

28 Sec. 1094.111. OPERATING AND MANAGEMENT CONTRACTS. The
29 board may enter into an operating or management contract relating
30 to a district facility. (Acts 62nd Leg., R.S., Ch. 102, Sec. 10
31 (part).)

32 Source Law

33 Sec. 10. . . . The district, through its board
34 of directors, is further authorized to enter into an
35 operating or management contract with regard to its
36 facilities or a part thereof, or

37 Revised Law

38 Sec. 1094.112. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR

1 HOSPITALIZATION. (a) The board may contract with a county or
2 municipality located outside the district's boundaries for the
3 hospitalization of a sick or injured person of that county or
4 municipality.

5 (b) The board may contract with this state or a federal
6 agency for the hospital treatment of a sick or injured person.
7 (Acts 62nd Leg., R.S., Ch. 102, Sec. 6 (part).)

8 Source Law

9 Sec. 6. . . . The board . . . shall be
10 authorized to contract with any county or incorporated
11 municipality located outside its boundaries for the
12 hospitalization of the sick, diseased, or injured
13 persons of any such county or municipality, and shall
14 have the authority to contract with the State of Texas
15 or agencies of the federal government for the hospital
16 treatment of sick, diseased, or injured persons.

17 Revisor's Note

18 (1) Section 6, Chapter 102, Acts of the 62nd
19 Legislature, Regular Session, 1971, refers to an
20 "incorporated" municipality. The revised law omits
21 the reference to "incorporated" because under the
22 Local Government Code all municipalities must be
23 incorporated.

24 (2) Section 6, Chapter 102, Acts of the 62nd
25 Legislature, Regular Session, 1971, refers to the
26 hospitalization of a "sick, diseased, or injured
27 person." The revised law omits the references to
28 "diseased" because "diseased" is included in the
29 meaning of "sick."

30 Revised Law

31 Sec. 1094.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
32 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
33 political subdivision or governmental agency for the district to
34 provide investigatory and other services for the hospital or
35 welfare needs of district inhabitants. (Acts 62nd Leg., R.S., Ch.
36 102, Sec. 6 (part).)

37 Source Law

38 Sec. 6. . . . The board shall be authorized to

1 contract with any other political subdivision or
2 governmental agency whereby the district will provide
3 investigatory and other services as to the hospital,
4 or welfare needs of the inhabitants of the district
5 and

6 Revised Law

7 Sec. 1094.114. 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.

28 (e) If there is a dispute as to the ability to pay, or doubt
29 in the mind of the district administrator, the board shall hold a
30 hearing and, after calling witnesses, shall:

31 (1) resolve the dispute or doubt; and

32 (2) issue any appropriate orders.

33 (f) The final order of the board may be appealed to the
34 district court. The substantial evidence rule applies to the
35 appeal. (Acts 62nd Leg., R.S., Ch. 102, Sec. 18.)

36 Source Law

37 Sec. 18. Whenever a patient residing within the

1 district has been admitted to the facilities thereof,
2 the administrator or manager may cause inquiry to be
3 made as to his circumstances and those of the relatives
4 of such patient legally liable for his support. If he
5 finds that the patient or his relatives are able to pay
6 for his care and treatment in whole or in part, an
7 order shall be made directing the patient or his
8 relatives to pay the hospital district for the care and
9 support of such patient a specified sum per week in
10 proportion to their financial ability. The
11 administrator or manager shall have power and
12 authority to collect such sums from the estate of the
13 patient or his relatives legally liable for his
14 support in the manner provided by law for collection of
15 expenses in the last illness of a deceased person. If
16 the administrator or manager finds that the patient or
17 his relatives are not able to pay either in whole or in
18 part for his care and treatment in the hospital, same
19 shall become a charge upon the hospital district as to
20 the amount of the inability to pay. Should there be
21 any dispute as to the ability to pay or doubt in the
22 mind of the administrator or manager, the board of
23 directors shall hear and determine same after calling
24 witnesses, and shall make such order or orders as may
25 be proper. Appeals from the final order of the board
26 shall lie to the district court. The substantial
27 evidence rule shall apply.

28 Revised Law

29 Sec. 1094.115. AUTHORITY TO SUE AND BE SUED. (a) The
30 district, through the board, may sue and be sued.

31 (b) The district is entitled to all causes of action and
32 defenses to which similar authorities are entitled. (Acts 62nd
33 Leg., R.S., Ch. 102, Sec. 6 (part).)

34 Source Law

35 Sec. 6. . . . The district, through its board
36 of directors, shall have the power and authority to sue
37 and be sued, and shall be entitled to all causes of
38 action and defenses enjoyed by similar
39 authorities,

40 [Sections 1094.116-1094.150 reserved for expansion]

41 SUBCHAPTER D. CHANGE IN BOUNDARIES

42 Revised Law

43 Sec. 1094.151. ELECTION ON EXPANSION OF BOUNDARIES. (a)
44 On presentation of a petition for an election signed by at least 50
45 registered voters of Gaines County who do not reside within the
46 district's boundaries, the board shall order an election on the
47 questions of:

48 (1) expanding the district's boundaries to include the
49 entire county;

50 (2) the assumption of a proportionate share of

1 district debts; and

2 (3) the imposition of taxes in the territory to be
3 added to the district.

4 (b) The board shall order the election not later than the
5 60th day after the date on which the petition is presented to the
6 board.

7 (c) The election in the district and the election in the
8 territory to be added must be held on the same day.

9 (d) Section 41.001(a), Election Code, does not apply to an
10 election ordered under this section. (Acts 62nd Leg., R.S., Ch.
11 102, Secs. 2A(a), (b), (e), (f).)

12 Source Law

13 Sec. 2A. (a) On presentation of a petition for
14 an election signed by at least 50 registered voters who
15 reside in Gaines County but outside the district's
16 boundaries, the board shall order an election on the
17 questions of expanding the district's boundaries to
18 include the entire county, the assumption of a
19 proportionate share of district debts, and the levy of
20 taxes in the territory to be added to the district.

21 (b) The election shall be called not later than
22 the 60th day after the date on which the petition is
23 presented to the board.

24 (e) The election in the district and the
25 election in the territory to be added must be held on
26 the same day.

27 (f) Section 41.001(a), Election Code, does not
28 apply to an election ordered under this section.
29 Except as provided by this subsection, an election
30 under this section shall be held in accordance with the
31 applicable provisions of the Election Code.

32 Revisor's Note

33 Section 2A(f), Chapter 102, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that
35 Section 41.001(a), Election Code, does not apply to an
36 election under Section 2A and that "[e]xcept as
37 provided by this subsection, an election under this
38 section shall be held in accordance with the
39 applicable provisions of the Election Code." The
40 revised law omits the quoted language because Section
41 1.002, Election Code, provides that the Election Code
42 applies to all elections held in this state. An
43 exception to the application of the Election Code

1 would apply by its own terms.

2 Revised Law

3 Sec. 1094.152. BALLOT. The ballot for the election shall be
4 printed to permit voting for or against the proposition: "Expanding
5 the Seminole Hospital District to include all of Gaines County, the
6 assumption by the additional territory of its proportionate share
7 of the district's outstanding debts, and the levy of a tax not to
8 exceed 75 cents on each \$100 of valuation on all taxable property in
9 the expanded area of the district." (Acts 62nd Leg., R.S., Ch. 102,
10 Sec. 2A(c).)

11 Source Law

12 (c) The ballot for the election shall be printed
13 to permit voting for or against the proposition:
14 "Expanding the Seminole Hospital District to include
15 all of Gaines County, the assumption by the additional
16 territory of its proportionate share of the district's
17 outstanding debts, and the levy of a tax not to exceed
18 75 cents on each \$100 of valuation on all taxable
19 property in the expanded area of the district."

20 Revised Law

21 Sec. 1094.153. ELECTION RESULTS. The district may not be
22 expanded unless the proposition under Section 1094.152 is approved
23 by a majority of the voters at an election held in the district and
24 by a majority of the voters at a separate election held in the
25 territory to be added. (Acts 62nd Leg., R.S., Ch. 102, Sec. 2A(d).)

26 Source Law

27 (d) The district may not be expanded unless the
28 expansion, the assumption of debt, and the levy of
29 taxes are approved by a majority of the voters at an
30 election held in the district and by a majority of the
31 voters at a separate election held in the territory to
32 be added.

33 [Sections 1094.154-1094.200 reserved for expansion]

34 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

35 Revised Law

36 Sec. 1094.201. BUDGET. (a) The district administrator
37 shall prepare an annual budget for approval by the board.

38 (b) The proposed budget must contain a complete financial
39 statement of:

40 (1) the outstanding obligations of the district;

- 1 (2) the cash on hand in each district fund;
- 2 (3) the money received by the district from all
3 sources during the previous year;
- 4 (4) the money available to the district from all
5 sources during the ensuing year;
- 6 (5) the balances expected at the end of the year in
7 which the budget is being prepared;
- 8 (6) the estimated revenue and balances available to
9 cover the proposed budget;
- 10 (7) the estimated tax rate required; and
- 11 (8) the proposed expenditures and disbursements and
12 the estimated receipts and collections for the following fiscal
13 year. (Acts 62nd Leg., R.S., Ch. 102, Sec. 7 (part).)

14 Source Law

15 Sec. 7. . . . The administrator or manager
16 shall prepare an annual budget for approval by the
17 board of directors. The budget shall also contain a
18 complete financial statement of the district showing
19 all outstanding obligations of the district, the cash
20 on hand to the credit of each and every fund of the
21 district, the funds received from all sources during
22 the previous year, the funds available from all
23 sources during the ensuing year, with balances
24 expected at year end of the year in which the budget is
25 being prepared, and estimated revenues and balances
26 available to cover the proposed budget and the
27 estimated tax rate which will be required, and the
28 proposed expenditures and disbursements and the
29 estimated receipts and collections for the following
30 fiscal year. . . .

31 Revised Law

32 Sec. 1094.202. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
33 The board shall hold a public hearing on the proposed annual budget.

34 (b) At least 10 days before the date of the hearing, notice
35 of the hearing shall be published one time in a newspaper or
36 newspapers that individually or collectively have general
37 circulation in the district.

38 (c) Any property taxpayer of the district is entitled to be
39 present and participate at the hearing.

40 (d) At the conclusion of the hearing, the board shall adopt
41 a budget by acting on the budget proposed by the district
42 administrator. The board may make any changes in the proposed

1 budget that the board judges to be in the interest of the taxpayers
2 and that the law warrants. (Acts 62nd Leg., R.S., Ch. 102, Sec. 7
3 (part).)

4 Source Law

5 Sec. 7. . . . A public hearing on the annual
6 budget shall be held by the board of directors after
7 notice of hearing has been published one time at least
8 10 days before the date set therefor. Notice of the
9 budget hearing shall be published in a newspaper or
10 newspapers which individually or collectively provide
11 general circulation in the hospital district. Any
12 property taxpayer of the district shall have the right
13 to be present and participate in the hearing. At the
14 conclusion of the hearing, the budget, as proposed by
15 the administrator, shall be acted upon by the board of
16 directors. The board of directors shall have
17 authority to make such changes in the budget as in
18 their judgment the law warrants and the interest of the
19 taxpayers demand. . . . the annual budget, and . . .
20 shall be approved by the board of directors. . . .

21 Revised Law

22 Sec. 1094.203. 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. 102, Sec. 7 (part).)

25 Source Law

26 Sec. 7. . . . The annual budget may be amended
27 from time to time as the circumstances may require, but
28 . . . all amendments thereto, shall be approved by the
29 board of directors. . . .

30 Revisor's Note

31 Section 7, Chapter 102, Acts of the 62nd
32 Legislature, Regular Session, 1971, states that the
33 board may amend the budget "from time to time." The
34 revised law omits the quoted language because the
35 authority to take an action implies the authority to do
36 so at any time.

37 Revised Law

38 Sec. 1094.204. RESTRICTION ON EXPENDITURES. Money may be
39 spent only for an expense included in the budget or an amendment to
40 the budget. (Acts 62nd Leg., R.S., Ch. 102, Sec. 7 (part).)

41 Source Law

42 Sec. 7. . . . No expenditure may be made for any
43 expense not included in the annual budget or an
44 amendment thereto. . . .

1 Revised Law

2 Sec. 1094.205. FISCAL YEAR. The district operates
3 according to a fiscal year that begins on October 1 and ends on
4 September 30. (Acts 62nd Leg., R.S., Ch. 102, Sec. 7 (part).)

5 Source Law

6 Sec. 7. The district shall be operated on the
7 basis of a fiscal year commencing on October 1 of each
8 year and ending on September 30 of the following year,
9 and

10 Revised Law

11 Sec. 1094.206. AUDIT. (a) The district shall have an
12 independent audit made of the district's financial condition for
13 the fiscal year.

14 (b) As soon as the audit is completed, the audit shall be
15 filed at the district's office. (Acts 62nd Leg., R.S., Ch. 102,
16 Sec. 7 (part).)

17 Source Law

18 Sec. 7. [The district] . . . it shall cause an
19 independent audit to be made of the financial
20 condition of the district, . . . such audit to be made
21 covering such fiscal year, and the same shall be filed
22 at the office of the district as soon as it is
23 completed. . . .

24 Revised Law

25 Sec. 1094.207. INSPECTION OF AUDIT AND DISTRICT RECORDS.
26 The audit and other district records shall be open to inspection at
27 the district's principal office. (Acts 62nd Leg., R.S., Ch. 102,
28 Sec. 7 (part).)

29 Source Law

30 Sec. 7. [The district . . . shall cause an
31 independent audit to be made of the financial
32 condition of the district,] which, together with other
33 records of the district, shall be open to inspection at
34 the principal office of the district,

35 Revised Law

36 Sec. 1094.208. FINANCIAL REPORT. As soon as practicable
37 after the close of each fiscal year, the district administrator
38 shall prepare for the board:

39 (1) a complete sworn statement of all district money;
40 and

1 (2) a complete account of the disbursements of that
2 money. (Acts 62nd Leg., R.S., Ch. 102, Sec. 7 (part).)

3 Source Law

4 Sec. 7. . . . As soon as practicable after the
5 close of each fiscal year, the administrator or
6 manager shall prepare for the board a full sworn
7 statement of all moneys belonging to the district and a
8 full account of the disbursements of same.

9 Revised Law

10 Sec. 1094.209. 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 1094.210(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 62nd Leg.,
20 R.S., Ch. 102, Sec. 12.)

21 Source Law

22 Sec. 12. The board of directors of the district
23 shall name one or more banks within its boundaries to
24 serve as depository for the funds of the district. All
25 funds of the district, except those invested as
26 provided in Section 6 of this Act, and those
27 transmitted to a bank or banks as payment for bonds or
28 obligations issued by the district, shall be deposited
29 as received with the depository bank and shall remain
30 on deposit, provided that nothing herein shall limit
31 the power of the board to place a portion of such funds
32 on time deposit or purchase certificates of deposit.

33 Revised Law

34 Sec. 1094.210. SPENDING AND INVESTMENT RESTRICTIONS. (a)
35 Except as otherwise provided by Section 1094.107(c) and Subchapter
36 F, the district may not incur an obligation payable from district
37 revenue other than the revenue on hand or to be on hand in the
38 current and following district fiscal years.

39 (b) The board may invest operating, depreciation, or
40 building reserves only in funds or securities specified by Chapter
41 2256, Government Code. (Acts 62nd Leg., R.S., Ch. 102, Secs. 6

1 (part), 11 (part).)

2 Source Law

3 Sec. 6. . . . in no event shall any operating,
4 depreciation, or building fund reserves be invested in
5 any funds or securities other than those specified in
6 Articles 836 and 837, Revised Civil Statutes of Texas,
7 1925, as amended. . . .

8 Sec. 11. . . . Except as permitted in the
9 preceding sentence and as permitted by Sections 8 and
10 9, the district may incur no obligation payable from
11 any revenues of the district, taxes or otherwise,
12 except those on hand or to be on hand within the then
13 current and following fiscal year of the district.

14 Revisor's Note

15 (1) Section 6, Chapter 102, Acts of the 62nd
16 Legislature, Regular Session, 1971, refers to
17 "Articles 836 and 837, Revised Civil Statutes of
18 Texas, 1925, as amended." Those articles were
19 impliedly repealed by the enactment of the Public
20 Funds Investment Act of 1987 (Article 842a-2, Vernon's
21 Texas Civil Statutes), which was revised in 1993 as
22 Chapter 2256, Government Code. Chapter 2256 defines
23 "local government" to include hospital districts and
24 applies to the district by its own terms. The revised
25 law therefore substitutes a reference to Chapter 2256,
26 Government Code, for the references to Articles 836
27 and 837.

28 (2) Section 11, Chapter 102, Acts of the 62nd
29 Legislature, Regular Session, 1971, states that
30 "[e]xcept as permitted in the preceding sentence and
31 as permitted by Sections 8 and 9" the district may not
32 incur certain obligations. The preceding sentence in
33 Section 11 is codified in Section 1094.107(c).
34 Sections 8 and 9 are codified in Subchapter F. The
35 revised law is drafted accordingly.

36 [Sections 1094.211-1094.250 reserved for expansion]

37 SUBCHAPTER F. BONDS

38 Revised Law

39 Sec. 1094.251. 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 62nd Leg., R.S., Ch. 102, Sec. 8(a) (part).)

7 Source Law

8 Sec. 8. (a) The board of directors shall have
9 the power and authority to issue and sell its bonds in
10 the name and on the faith and credit of the hospital
11 district for the purchase, construction, acquisition,
12 repair, or renovation of buildings, and improvements
13 and equipping the same for hospital purposes, and for
14 any or all of such purposes. . . .

15 Revisor's Note

16 Section 8(a), Chapter 102, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides that the
18 board has the power and authority to issue and sell
19 bonds in the name and on the faith and credit of the
20 district. Because the type of bonds described by
21 Section 8 are known as "general obligation bonds," the
22 revised law is drafted accordingly.

23 Revised Law

24 Sec. 1094.252. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
25 the time general obligation bonds are issued by the district under
26 Section 1094.251, the board shall impose an ad valorem tax at a rate
27 sufficient to create an interest and sinking fund to pay the
28 principal of and interest on the bonds as the bonds mature.

29 (b) The tax required by this section together with any other
30 ad valorem tax the district imposes may not in any year exceed the
31 tax rate approved by the voters at the election authorizing the
32 imposition of the tax. (Acts 62nd Leg., R.S., Ch. 102, Sec. 8(a)
33 (part).)

34 Source Law

35 Sec. 8. (a) . . . At the time of the issuance
36 of any bonds by the district a tax shall be levied by
37 the board sufficient to create an interest and sinking
38 fund to pay the interest on and principal of the bonds
39 as they mature, providing such tax, together with any
40 other taxes levied for said district shall not exceed

1 the rate of tax voted under the provisions of Section 4
2 of this Act. . . .

3 Revisor's Note

4 (1) Section 8(a), Chapter 102, Acts of the 62nd
5 Legislature, Regular Session, 1971, requires the
6 district to levy a tax to pay the principal of and
7 interest on bonds. The revised law specifies that the
8 tax is an "ad valorem" tax because it is clear from the
9 source law that the tax is a property tax and "ad
10 valorem" is the term most commonly used to refer to a
11 property tax.

12 (2) Section 8(a), Chapter 102, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 tax rate may not exceed "the rate of tax voted under
15 the provisions of Section 4 of this Act." Section 4
16 sets out procedures for the district's creation
17 election and requires voter approval of the district's
18 authority to impose taxes. Because the revised law
19 omits Section 4 for the reason stated in the revisor's
20 note at the end of Subchapter A, the revised law
21 substitutes "the tax rate approved by the voters at the
22 election authorizing the imposition of the tax" for
23 the quoted language.

24 Revised Law

25 Sec. 1094.253. GENERAL OBLIGATION BOND ELECTION. (a) The
26 district may issue general obligation bonds only if the bonds are
27 authorized by a majority of the district voters voting at an
28 election held for that purpose.

29 (b) The order calling the election shall provide for clerks
30 as in county elections and must specify:

- 31 (1) the date of the election;
- 32 (2) the location of the polling places;
- 33 (3) the presiding and alternate election judges for
34 each polling place;
- 35 (4) the amount of the bonds to be authorized; and

1 (5) the maximum interest rate of the bonds.

2 (c) Notice of a bond election shall be given as provided by
3 Section 1251.003, Government Code. (Acts 62nd Leg., R.S., Ch. 102,
4 Sec. 8(a) (part).)

5 Source Law

6 Sec. 8. (a) . . . No bonds shall be issued by
7 the hospital district . . . until authorized by a
8 majority of the electors of the district voting at an
9 election called for that purpose. The order for bond
10 election shall specify the date of the election, the
11 amount of bonds to be authorized, the maximum rate of
12 interest they are to bear, the place or places where
13 the election shall be held, the presiding judge and
14 alternate judge for each voting place, and provide for
15 clerks as in county elections. . . . notice of any bond
16 election shall be given as provided in Article 704,
17 Revised Civil Statutes of Texas, 1925, as amended, and
18 shall be conducted in accordance with the general laws
19 of Texas pertaining to general elections, except as
20 modified by the provisions of this Act.

21 Revisor's Note

22 (1) Section 8(a), Chapter 102, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that
24 notice of a bond election under Section 8(b) must be
25 given as provided by Section 4. As explained in the
26 revisor's note to the end of Subchapter A, Sections 4
27 and 8(b), Chapter 102, are executed. The revised law
28 therefore omits the provision. The omitted law reads:

29 Sec. 8. (a) . . . Except as to a
30 bond election held pursuant to the
31 provisions of Subsection (b) of this
32 section, where notice shall be given as
33 provided in Section 4,

34 (2) Section 8(a), Chapter 102, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to Article
36 704, Revised Statutes, which specifies certain notice
37 requirements for a bond election. That provision was
38 codified in 1999 as Section 1251.003, Government Code.
39 The revised law is drafted accordingly.

40 (3) Section 8(a), Chapter 102, Acts of the 62nd
41 Legislature, Regular Session, 1971, provides that an
42 election under Section 4 "shall be conducted in
43 accordance with the general laws of Texas pertaining

1 to general elections, except as modified by the
2 provisions of this Act." The general law on elections
3 in Texas is the Election Code. The revised law omits
4 the quoted language for the reason stated in the
5 revisor's note to Section 1094.151.

6 Revised Law

7 Sec. 1094.254. MATURITY OF GENERAL OBLIGATION BONDS.
8 District general obligation bonds must mature not later than 40
9 years after the date of issuance. (Acts 62nd Leg., R.S., Ch. 102,
10 Sec. 8(d) (part).)

11 Source Law

12 (d) Bonds of the district . . . shall mature
13 within 40 years of their date,

14 Revised Law

15 Sec. 1094.255. 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 62nd Leg.,
20 R.S., Ch. 102, Sec. 8(d) (part).)

21 Source Law

22 (d) Bonds of the district . . . shall be
23 executed in the name of the hospital district and in
24 its behalf by the president of the board and
25 countersigned by the secretary in the manner provided
26 by Chapter 204, Acts of the 57th Legislature, Regular
27 Session, 1961, as amended (Article 717j-1, Vernon's
28 Civil Statutes), and

29 Revisor's Note

30 (1) Section 8(d), Chapter 102, Acts of the 62nd
31 Legislature, Regular Session, 1971, refers to Chapter
32 204, Acts of the 57th Legislature, Regular Session,
33 1961, as amended (Article 717j-1, Vernon's Texas Civil
34 Statutes). That statute was codified in 1999 as
35 Chapter 618, Government Code, and the revised law is
36 drafted accordingly.

37 (2) Section 8(d), Chapter 102, Acts of the 62nd
38 Legislature, Regular Session, 1971, provides in part

1 that general obligation bonds issued under Chapter 102
2 must bear interest at a rate not to exceed six and
3 one-half percent a year. The revised law omits that
4 provision because it has been superseded by the
5 enactment of the maximum interest rate provision found
6 in Section 1204.006, Government Code. That section
7 reflects the 1981 amendment of Chapter 3, Acts of the
8 62nd Legislature, Regular Session, 1971 (Article
9 717k-2, Vernon's Texas Civil Statutes, now Chapter
10 1204, Government Code), by Section 1, Chapter 61, Acts
11 of the 67th Legislature, Regular Session, 1981, and
12 permits a public agency, including a hospital
13 district, to issue public securities at any net
14 effective interest rate of 15 percent or less. Section
15 1204.006, Government Code, applies to bonds issued
16 under this chapter by application of Section 1204.001,
17 Government Code. The omitted law reads:

18 (d) [Bonds of the district] shall
19 bear interest not to exceed six and one-half
20 percent a year,

21 (3) Section 8(d), Chapter 102, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that the
23 general obligation bonds are subject to the law
24 governing counties that relates to bond approval by
25 the attorney general and registration of the bonds by
26 the comptroller. Section 8(d) also provides that
27 after approval and registration the bonds are
28 "incontestable for any cause." The revised law omits
29 those provisions as superseded by Chapter 1202,
30 Government Code (enacted as Article 3, Chapter 53,
31 Acts of the 70th Legislature, 2nd Called Session,
32 1987). Section 1202.003(a), Government Code, requires
33 bonds to be submitted to the attorney general. Section
34 1202.003(b), Government Code, provides for approval of
35 the bonds by the attorney general and requires the

1 attorney general to submit the approved bonds to the
2 comptroller for registration. Section 1202.005,
3 Government Code, requires registration of the bonds by
4 the comptroller. Section 1202.006, Government Code,
5 provides that after approval and registration the
6 bonds are incontestable and binding obligations.
7 Chapter 1202, Government Code, applies to bonds issued
8 under this chapter by application of Section 1202.001,
9 Government Code. The omitted law reads:

10 (d) [Bonds of the district] . . .
11 shall be subject to the same requirements in
12 the matter of approval by the Attorney
13 General of Texas and registration by the
14 Comptroller of Public Accounts of the State
15 of Texas as are by law provided for approval
16 and registration of bonds issued by
17 counties. On the approval of such bonds by
18 the Attorney General and registration by
19 the Comptroller, they shall be
20 incontestable for any cause.

21 Revised Law

22 Sec. 1094.256. 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 hospital purposes; or

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

27 (b) The bonds must be payable from and secured by a pledge of
28 all or part of the revenue derived from the operation of the
29 district's hospitals.

30 (c) The bonds may be additionally secured by a mortgage or
31 deed of trust lien on all or part of district property.

32 (d) The bonds must be issued in the manner and in accordance
33 with the procedures and requirements prescribed by Sections
34 264.042, 264.043, and 264.046-264.049, Health and Safety Code, for
35 issuance of revenue bonds by a county hospital authority. (Acts
36 62nd Leg., R.S., Ch. 102, Sec. 9 (part).)

37 Source Law

38 Sec. 9. In addition to the power to issue bonds
39 payable from taxes levied by the district, as
40 contemplated by the preceding section, the board of
41 directors is further authorized to issue

1 and . . . revenue bonds for purchasing, constructing,
2 acquiring, repairing, equipping, or renovating
3 buildings and improvements for hospital purposes, and
4 for acquiring sites therefor, such bonds to be payable
5 from and secured by a pledge of all or any part of the
6 revenues of the district to be derived from the
7 operation of its hospital or hospitals, and such bonds
8 may be additionally secured by a mortgage or deed of
9 trust lien on any part or all of its properties. The
10 bonds shall be issued in the manner and in accordance
11 with the procedures and requirements specified for the
12 issuance of revenue bonds by county hospital
13 authorities in Sections 8, 10, 11, 12, and 13 of
14 Chapter 122, Acts of the 58th Legislature, 1963
15 (Article 4494r, Vernon's Texas Civil Statutes).

16 Revisor's Note

17 Section 9, Chapter 102, Acts of the 62nd
18 Legislature, Regular Session, 1971, refers to Sections
19 8, 10, 11, 12, and 13, Chapter 122, Acts of the 58th
20 Legislature, 1963 (Article 4494r, Vernon's Texas Civil
21 Statutes). Those provisions were codified in 1989 as
22 Sections 264.042, 264.043, and 264.046-264.049,
23 Health and Safety Code. The revised law is drafted
24 accordingly.

25 Revised Law

26 Sec. 1094.257. REFUNDING BONDS. (a) The board may, without
27 an election, issue refunding bonds to refund outstanding
28 indebtedness issued or assumed by the district.

29 (b) A refunding bond may be:

30 (1) sold, with the proceeds of the refunding bond
31 applied to the payment of the indebtedness to be refunded; or

32 (2) exchanged wholly or partly for not less than a
33 similar principal amount of outstanding indebtedness. (Acts 62nd
34 Leg., R.S., Ch. 102, Secs. 8(a) (part), (c) (part), 9 (part).)

35 Source Law

36 Sec. 8. (a) . . . [No bonds shall be issued by
37 the hospital district] except refunding bonds [until
38 authorized by a majority of the electors of the
39 district voting at an election called for that
40 purpose.] . . .

41 (c) Refunding bonds of the district may be
42 issued for the purpose of refunding and paying off any
43 outstanding indebtedness issued or assumed. Such
44 refunding bonds may be sold and the proceeds therefrom
45 applied to the payment of outstanding indebtedness, or
46 may be exchanged in whole or in part for not less than a
47 like principal amount of such outstanding

1 indebtedness

2 Sec. 9. . . . [the board of directors is further
3 authorized] . . . to refund any previously issued
4 [revenue bonds]

5 Revisor's Note

6 (1) Section 8(c), Chapter 102, Acts of the 62nd
7 Legislature, Regular Session, 1971, provides that the
8 refunding bonds must bear interest at the same or a
9 lower rate than the rate of the debt refunded unless a
10 savings is shown. The revised law omits that provision
11 for the reason stated in Revisor's Note (2) to Section
12 1094.255. The omitted law reads:

13 (c) . . . provided that, if refunding
14 bonds are to be exchanged for a like amount
15 of the outstanding indebtedness, the
16 refunding bonds shall bear interest at the
17 same or lower rate than borne by the debt
18 refunded, unless it is shown mathematically
19 that a saving will result in the total
20 amount of interest to be paid on the
21 refunding bonds, and

22 (2) Section 8(c), Chapter 102, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that
24 refunding bonds sold to pay outstanding indebtedness
25 must be issued and payments made in the manner
26 specified by Chapter 503, Acts of the 54th
27 Legislature, Regular Session, 1955, as amended
28 (Article 717k, Vernon's Texas Civil Statutes).
29 Article 717k was codified in 1999 in Chapter 1207,
30 Government Code. The revised law omits the provision
31 because Chapter 1207, Government Code, applies to the
32 district by its own terms under Section 1207.001,
33 Government Code. The omitted law reads:

34 (c) . . . provided further that if
35 such refunding bonds are to be sold and the
36 proceeds thereof applied to the payment of
37 any such outstanding indebtedness, same
38 shall be issued and payments made in the
39 manner specified by Chapter 503, Acts of the
40 54th Legislature, 1955, as amended (Article
41 717k, Vernon's Texas Civil Statutes).

42 Revised Law

43 Sec. 1094.258. 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 or assumed by the district;
- 4 (2) the transfer and issuance of the bonds; and
- 5 (3) profits made in the sale of the bonds. (Acts 62nd
6 Leg., R.S., Ch.102, Sec. 22 (part).)

7 Source Law

8 Sec. 22. . . . any bonds issued or assumed by it
9 and their transfer and the issuance therefrom,
10 including any profits made in the sale thereof, shall
11 at all times be free from taxation by the State or any
12 municipality or political subdivision thereof.

13 Revisor's Note
14 (End of Subchapter)

15 (1) Section 14, Chapter 102, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that
17 district bonds are legal and authorized investments
18 for certain entities. The revised law omits the
19 provision as unnecessary. As to several of the
20 entities listed, Section 14 has been superseded and
21 impliedly repealed. Investments in securities by
22 banks are regulated by Section 34.101, Finance Code
23 (enacted in 1995 as Section 5.101, Texas Banking Act
24 (Article 342-5.101, Vernon's Texas Civil Statutes)).
25 Investments in securities by savings banks are
26 regulated by Section 93.001(c)(10), Finance Code
27 (enacted in 1993 as Section 7.15(10), Texas Savings
28 Bank Act (Article 489e, Vernon's Texas Civil
29 Statutes)). Investments in securities by trust
30 companies are regulated by Section 184.101, Finance
31 Code (enacted in 1997 as Section 5.101, Texas Trust
32 Company Act (Article 342a-5.101, Vernon's Texas Civil
33 Statutes)). Investments in securities by savings and
34 loan associations are regulated by Sections 63.002 and
35 64.001, Finance Code. As to the remaining entities
36 listed, Section 14 is superseded by Section 1201.041,
37 Government Code (enacted as Section 9, Bond Procedures

1 Act of 1981 (Article 717k-6, Vernon's Texas Civil
2 Statutes)). Section 1201.041, Government Code,
3 applies to district bonds by application of Section
4 1201.002, Government Code. The revised law omits the
5 reference to public funds of this state because it has
6 been superseded by Section 404.024, Government Code
7 (enacted in 1985 as Section 2.014, Treasury Act
8 (Article 4393-1, Vernon's Texas Civil Statutes)),
9 which governs the investment of state funds. Section
10 404.024(b)(10), Government Code, authorizes the
11 investment of state funds in obligations of political
12 subdivisions, including hospital districts. The
13 omitted law reads:

14 Sec. 14. All bonds issued hereunder
15 by the district shall be and are hereby
16 declared to be legal and authorized
17 investments of banks, savings banks, trust
18 companies, building and loan associations,
19 savings and loan associations, insurance
20 companies, trustees, and sinking funds of
21 cities, towns, villages, counties, school
22 districts, or other political subdivisions
23 of the State of Texas, and for all public
24 funds of the State of Texas or its agencies
25 including the State Permanent School
26 Fund. . . .

27 (2) Section 14, Chapter 102, Acts of the 62nd
28 Legislature, Regular Session, 1971, provides that
29 district bonds may secure deposits of public funds of
30 this state or political subdivisions of this state.
31 The revised law omits the provisions as impliedly
32 repealed by Section 404.0221, Government Code (enacted
33 in 1995), which lists eligible collateral for deposits
34 of state funds by the comptroller, and by Chapter 2257,
35 Government Code (enacted in 1989 as Article 2529d,
36 Vernon's Texas Civil Statutes), which governs eligible
37 collateral for deposits of funds of other public
38 agencies, including political subdivisions. The
39 omitted law reads:

40 Sec. 14. . . . Such bonds and
41 indebtedness shall be eligible to secure

1 deposit of public funds of the State of
2 Texas and public funds of cities, towns,
3 villages, counties, school districts, or
4 other political subdivisions or
5 corporations of the State of Texas, and
6 shall be lawful and sufficient security for
7 said deposits to the extent of their value
8 when accompanied by all unmatured coupons
9 appurtenant thereto.

10 [Sections 1094.259-1094.300 reserved for expansion]

11 SUBCHAPTER G. TAXES

12 Revised Law

13 Sec. 1094.301. IMPOSITION OF AD VALOREM TAX. (a) The board
14 shall impose a tax on all property in the district subject to
15 district taxation.

16 (b) The board shall impose the tax to:

17 (1) pay the interest on and create a sinking fund for
18 bonds or other obligations issued or assumed by the district for
19 hospital purposes;

20 (2) provide for the operation and maintenance of the
21 district and hospital system;

22 (3) make improvements and additions to the hospital
23 system; and

24 (4) acquire necessary sites for the hospital system by
25 purchase, lease, or condemnation. (Acts 62nd Leg., R.S., Ch. 102,
26 Secs. 4(b) (part), 13(a) (part).)

27 Source Law

28 [Sec. 4]
29 (b) . . . [annual taxes] . . . of taxable
30 property situated within the district subject to
31 hospital district taxation

32 Sec. 13. (a) The board of directors shall
33 annually levy a tax . . . for the purpose of:

34 (1) paying the interest on and creating a
35 sinking fund for bonds and other obligations which may
36 be issued or assumed by the hospital district for
37 hospital purposes as herein provided;

38 (2) providing for the operation and
39 maintenance of the hospital district and hospital
40 system; and

41 (3) for the purpose of making further
42 improvements and additions to the hospital system, and
43 for the acquisition of necessary sites therefor by
44 purchase, lease, or condemnation.

45 Revised Law

46 Sec. 1094.302. TAX RATE. (a) The board may impose the tax

1 at a rate not to exceed 75 cents on each \$100 valuation of taxable
2 property in the district.

3 (b) In setting the tax rate, the board shall consider the
4 income of the district from sources other than taxation. (Acts 62nd
5 Leg., R.S., Ch. 102, Secs. 4(b) (part), 13(a) (part), (b) (part).)

6 Source Law

7 [Sec. 4]

8 (b) [At the election there shall be submitted to
9 the electors of the area of the proposed district the
10 proposition of whether the hospital district shall be
11 created with authority to levy annual taxes] at a rate
12 not to exceed 75 cents on the \$100 valuation [of
13 taxable property situated within the district subject
14 to hospital district taxation]

15 Sec. 13. (a) [The board of directors shall
16 annually levy a tax] of not to exceed the amount
17 hereinabove permitted

18 (b) In setting such tax rate the board shall
19 take into consideration the income of the district
20 from sources other than taxation. . . .

21 Revisor's Note

22 Section 13(b), Chapter 102, Acts of the 62nd
23 Legislature, Regular Session, 1971, requires the board
24 to levy the tax and to certify the tax rate to the tax
25 assessor-collector. The revised law omits that
26 provision because Section 26.05(a), Tax Code, requires
27 the governing body of a taxing unit to adopt a tax rate
28 for the current tax year and to notify the tax assessor
29 of that rate. The omitted law reads:

30 (b) . . . On determination of the
31 amount of tax required to be levied, the
32 board shall make such levy and certify the
33 same to the tax assessor-collector of the
34 district.

35 Revised Law

36 Sec. 1094.303. ASSESSMENT AND COLLECTION BY COUNTY TAX
37 ASSESSOR-COLLECTOR. (a) This section applies unless the board
38 elects to have taxes assessed and collected under Section 1094.304.

39 (b) The tax assessor-collector of Gaines County shall
40 assess and collect taxes imposed by the district. (Acts 62nd Leg.,
41 R.S., Ch. 102, Secs. 16(a) (part), (b) (part).)

1 Source Law

2 Sec. 16. (a) . . . unless the directors, by
3 majority vote, elect to have taxes assessed and
4 collected by the district's own tax assessor-collector
5 under Subsection (c) hereof. . . .

6 (b) Under this subsection, The tax
7 assessor-collector of the county in which the district
8 is situated shall be charged and required to
9 accomplish the assessment and collection of all taxes
10 levied by and on behalf of the district. . . .

11 Revisor's Note

12 (1) Sections 16(a) and (b), Chapter 102, Acts of
13 the 62nd Legislature, Regular Session, 1971, refer to
14 the assessment and collection of district taxes on
15 county tax values. The revised law omits that
16 provision because it was repealed by Section 6(b),
17 Chapter 841, Acts of the 66th Legislature, Regular
18 Session, 1979, which repealed all "general, local, and
19 special laws" that conflicted with that act. The 1979
20 act enacted the Property Tax Code (Title 1, Tax Code),
21 a comprehensive, substantive codification of property
22 tax law. Title 1, Tax Code, provides the exclusive
23 procedures for the appraisal of property for taxation
24 by a taxing unit, including a hospital district. The
25 omitted law reads:

26 (a) . . . All taxes of the district
27 shall be assessed and collected on county
28 tax values as provided in Subsection (b)
29 hereof. . . .

30 (b) . . . district taxes shall be
31 assessed and collected on county tax values
32 in the same manner as provided by law with
33 relation to county taxes. . . .

34 (2) Section 16(b), Chapter 102, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to the tax
36 assessor-collector "of the county in which the
37 district is situated." The revised law substitutes
38 "Gaines County" for the quoted language because that
39 is the county in which the district is located.

40 (3) Section 16(b), Chapter 102, Acts of the 62nd
41 Legislature, Regular Session, 1971, provides that the
42 county tax assessor-collector may charge a fee for the

1 assessment and collection of district taxes. The
2 revised law omits that provision because it was
3 repealed by Section 6(b), Chapter 841, Acts of the 66th
4 Legislature, Regular Session, 1979. See Revisor's
5 Note (1). Section 6.27(b), Tax Code, provides for the
6 compensation of a county tax assessor-collector
7 assessing and collecting taxes for another taxing
8 unit. The omitted law reads:

9 (b) . . . The assessor-collector of
10 taxes shall charge and deduct from payments
11 to the hospital district an amount as fees
12 for assessing and collecting the taxes at a
13 rate of not exceeding two percent of the
14 amounts collected as may be determined by
15 the board of directors, but in no event
16 shall the amount paid exceed \$5,000 in any
17 one calendar year. Such fees shall be
18 deposited in the officers salary fund of the
19 county and reported as fees of office of the
20 county tax assessor-collector. . . .

21 (4) Section 16(b), Chapter 102, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that
23 interest and penalties on district taxes and discounts
24 are the same as for county taxes. The revised law
25 omits that provision because it was repealed by
26 Section 6(b), Chapter 841, Acts of the 66th
27 Legislature, Regular Session, 1979. See Revisor's
28 Note (1). Chapter 33, Tax Code, provides for the
29 assessment of penalties and interest on delinquent
30 taxes, and Section 31.05, Tax Code, provides for
31 discounts on the early payment of taxes. The omitted
32 law reads:

33 (b) . . . Interest and penalties on
34 taxes paid to the hospital district shall be
35 the same as in the case of county taxes.
36 Discounts shall be the same as allowed by
37 the county. . . .

38 (5) Section 16(b), Chapter 102, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides that tax
40 revenue shall be deposited in the district's
41 depository. The revised law omits the provision
42 because Section 31.10, Tax Code, requires the tax

1 assessor-collector of a taxing unit to deposit taxes
2 collected in the unit's depository. The omitted law
3 reads:

4 (b) . . . The residue of tax
5 collections after deduction of discounts
6 and fees for assessing and collecting shall
7 be deposited in the district's
8 depository. . . .

9 (6) Section 16(b), Chapter 102, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that the
11 bond of the county tax assessor-collector is security
12 for the performance of district duties unless the
13 board determines that an additional bond is necessary.
14 The revised law omits that provision because it
15 duplicates Section 6.29(b), Tax Code, which authorizes
16 a taxing unit for which the county tax
17 assessor-collector collects a tax to require that
18 collector to post an additional bond. The omitted law
19 reads:

20 (b) . . . The bond of the county tax
21 assessor-collector shall stand as security
22 for the proper performance of his duties as
23 assessor-collector of the district; or, if
24 in the judgment of the district board of
25 directors it is necessary, additional bond
26 payable to the district may be
27 required. . . .

28 (7) Section 16(b), Chapter 102, Acts of the 62nd
29 Legislature, Regular Session, 1971, states that the
30 tax assessor-collector may act in accordance with
31 state law relating to the assessment, collection, and
32 enforcement of state and county taxes. The revised law
33 omits that provision as unnecessary. The state law
34 relating to the assessment, collection, and
35 enforcement of all ad valorem taxes is Title 1, Tax
36 Code. Section 1.02, Tax Code, requires all taxing
37 units of government to administer the assessment,
38 collection, and enforcement of taxes in conformity
39 with that title. The omitted law reads:

40 (b) . . . In all matters pertaining

1 to the assessment, collection, and
2 enforcement of taxes for the district, the
3 county tax assessor-collector shall be
4 authorized to act in all respects according
5 to the laws of the State of Texas relating
6 to State and county taxes.

7 Revised Law

8 Sec. 1094.304. ASSESSMENT AND COLLECTION BY DISTRICT TAX
9 ASSESSOR-COLLECTOR. (a) The board may elect to have district taxes
10 assessed and collected by a tax assessor-collector appointed by the
11 board. An election under this subsection must be made by December 1
12 and governs the manner in which taxes are assessed and collected,
13 until changed by a similar resolution.

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

15 (1) reside in the district; and

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

17 (c) The board shall set for the district tax
18 assessor-collector:

19 (1) the term of employment; and

20 (2) compensation. (Acts 62nd Leg., R.S., Ch. 102,
21 Secs. 16(a) (part), (c) (part).)

22 Source Law

23 Sec. 16. (a) . . . [unless the directors, by
24 majority vote, elect to have taxes assessed and
25 collected by the district's own tax assessor-collector
26 under Subsection (c) hereof.] Any such election may be
27 made prior to December 1 annually and shall govern the
28 manner in which taxes are thereafter assessed and
29 collected, until changed by a similar resolution.

30 (c) Under this subsection, taxes shall be
31 assessed and collected by a tax assessor-collector
32 appointed by the directors who shall also fix the terms
33 of his employment, compensation, and . . . the tax
34 assessor shall be residents of the district and own
35 real property subject to hospital district taxation,
36 and

37 Revisor's Note

38 (1) Section 16(c), Chapter 102, Acts of the 62nd
39 Legislature, Regular Session, 1971, requires the board
40 to set a bond amount of not less than \$5,000 as
41 security for the district tax assessor-collector. The
42 revised law omits the provision because it was
43 repealed by Section 6(b), Chapter 841, Acts of the 66th

1 Legislature, Regular Session, 1979. See Revisor's
2 Note (1) to Section 1094.303. Section 6.29(a), Tax
3 Code, authorizes the governing body of a taxing unit,
4 including a hospital district, to require the unit's
5 tax assessor-collector to post bond without limiting
6 the amount. The omitted law reads:

7 (c) . . . [directors who shall also
8 fix the] . . . requirement for bond to
9 assure the faithful performance of his
10 duties, but in no event shall such bond be
11 for less than \$5,000. . . .

12 (2) Section 16(c), Chapter 102, Acts of the 62nd
13 Legislature, Regular Session, 1971, states that the
14 board shall appoint a board of equalization and
15 establishes the duties of that board and the tax
16 assessor-collector. The revised law omits the
17 reference to a board of equalization because boards of
18 equalization were abolished and their functions and
19 duties transferred to appraisal review boards by the
20 1979 enactment of the Property Tax Code, Title 1, Tax
21 Code (Section 1, Chapter 841, Acts of the 66th
22 Legislature, Regular Session, 1979). The provisions
23 relating to the duties of the tax assessor-collector
24 are omitted because the Tax Code specifies the duties
25 of a tax assessor-collector. The omitted law reads:

26 (c) . . . The directors shall also
27 annually appoint five persons to serve as a
28 board of equalization and shall fix their
29 compensation. Each member of the board and
30 . . . [shall be residents of the district
31 and own real property subject to hospital
32 district taxation, and] each shall have the
33 same duties, including the obligation to
34 execute the oath of office, as required by
35 county officials exercising such powers and
36 duties. . . .

37 (3) Section 16(c), Chapter 102, Acts of the 62nd
38 Legislature, Regular Session, 1971, refers to the
39 applicability of Title 122 of the Revised Statutes
40 (Taxation). Before its repeal and recodification,
41 Title 122 was composed of V.A.C.S. Articles

1 7041-7359a. The relevant parts of those provisions
2 were revised in 1979 as the Property Tax Code, Title 1,
3 Tax Code (Section 1, Chapter 841, Acts of the 66th
4 Legislature, Regular Session, 1979). The revised law
5 omits the provision because Title 1 applies to the
6 district on its own terms. The omitted law reads:

7 (c) . . . Except as in this law
8 provided to the contrary, all provisions of
9 Title 122, Revised Civil Statutes of Texas,
10 1925, as amended, shall apply to the
11 district.

12 Revisor's Note
13 (End of Subchapter)

14 Section 16(a), Chapter 102, Acts of the 62nd
15 Legislature, Regular Session, 1971, provides that the
16 district may impose taxes for the entire year in which
17 the district is established. The revised law omits
18 that provision as executed. The omitted law reads:

19 Sec. 16. (a) The directors shall
20 have the authority to levy taxes for the
21 entire year in which the district is
22 established as the result of the election
23 herein provided. . . .

24 Revisor's Note
25 (End of Chapter)

26 (1) Sections 3(b) and 20, Chapter 102, Acts of
27 the 62nd Legislature, Regular Session, 1971, provide
28 for the transfer of certain land, buildings,
29 improvements, equipment, supplies, funds, and taxes to
30 the district after the district is created and provide
31 for the assumption of debt by the district on creation.
32 The revised law omits the provisions as executed. The
33 omitted law reads:

34 [Sec. 3]

35 (b) The district herein authorized
36 shall have transferred to it the title to
37 all land, buildings, improvements,
38 equipment, and choses in action in any way
39 pertaining to the hospital system owned by
40 Gaines County or the City of Seminole and
41 thereafter, Such district shall
42 assume all outstanding obligations and
43 indebtedness incurred by the City of
44 Seminole or by Gaines County for hospital
45 purposes within the boundaries of the

1 district prior to the creation of the
2 district.

3 Sec. 20. . . . When the district is
4 created and established, the county and all
5 towns and cities located therein shall
6 convey and transfer to the district title to
7 all lands, buildings, improvements, and
8 equipment in anywise pertaining to a
9 hospital or hospital system which may be
10 jointly or separately owned by the county or
11 any city or town within said district.
12 Operating funds and reserves for operating
13 expenses which are on hand and funds which
14 have been budgeted for hospital purposes by
15 the county or any city or town therein for
16 the remainder of the fiscal year in which
17 the district is established shall likewise
18 be transferred to the district, as shall
19 taxes theretofore levied for hospital
20 purposes for the current year, and all
21 sinking funds established for payment of
22 indebtedness assumed by the district.

23 (2) Section 23, Chapter 102, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that the
25 act is severable. The revised law omits this provision
26 because it duplicates Section 311.032, Government Code
27 (Code Construction Act), which provides that a
28 provision of a statute is severable from each other
29 provision of the statute that can be given effect. The
30 omitted law reads:

31 Sec. 23. . . . If any provision of
32 this Act should be invalid, such fact shall
33 not affect the authorization for the
34 creation of the district or the validity of
35 any other provisions of this Act, and the
36 Legislature hereby declares that it would
37 have created the district and enacted the
38 valid provisions of this Act
39 notwithstanding the invalidity of any other
40 provision or provisions hereof.

41 (3) Section 24, Chapter 102, Acts of the 62nd
42 Legislature, Regular Session, 1971, provides that
43 public notice of enactment of the statute was provided
44 in a manner that satisfies the requirements of the
45 Texas Constitution. The revised law omits that
46 section as executed. The omitted law reads:

47 Sec. 24. Proof of publication of the
48 notice required in the enactment hereof
49 under the provisions of Article IX, Section
50 9, of the Texas Constitution, has been made
51 in the manner and form provided by law
52 pertaining to the enactment of local and

1 special laws, and such notice is hereby
2 found and declared proper and sufficient to
3 satisfy such requirement.

4 CHAPTER 1095. SHACKELFORD COUNTY HOSPITAL DISTRICT

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13 CHAPTER 1095. SHACKELFORD COUNTY HOSPITAL DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 1095.001. 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 Shackelford County Hospital
21 District. (New.)

22 Revisor's Note

23 The definitions of "board," "director," and
24 "district" are added to the revised law for drafting
25 convenience and to eliminate frequent, unnecessary
26 repetition of the substance of the definitions.

27 Revised Law

28 Sec. 1095.002. AUTHORITY FOR OPERATION. The Shackelford
29 County Hospital District operates and is administered and financed
30 in accordance with Section 9, Article IX, Texas Constitution, and
31 has the rights, powers, and duties provided by this chapter. (Acts
32 65th Leg., R.S., Ch. 140, Sec. 1 (part).)

33 Source Law

34 Sec. 1. In accordance with the provisions of
35 Article IX, Section 9, of the Texas Constitution, as

1 amended, this Act authorizes the creation,
2 establishment, administration, maintenance,
3 operation, and financing of a hospital district within
4 this state, . . . to be known as Shackelford County
5 Hospital District with the rights, powers, and duties
6 as provided in this Act.

7 Revisor's Note

8 (1) Section 1, Chapter 140, Acts of the 65th
9 Legislature, Regular Session, 1977, refers to "Article
10 IX, Section 9, of the Texas Constitution, as amended."
11 In reference to constitutional provisions, the revised
12 law omits "as amended" because a statutory reference
13 to a constitutional provision would, in the absence of
14 the phrase, be interpreted as including any amendments
15 of that provision that had been adopted as of the date
16 the statute was enacted. To the extent "as amended"
17 was intended to incorporate any constitutional
18 amendment adopted after Chapter 140, Acts of the 65th
19 Legislature, Regular Session, 1977, was enacted, the
20 phrase is unnecessary because such an amendment would,
21 by virtue of being part of the constitution, control
22 over a statute.

23 (2) Section 1, Chapter 140, Acts of the 65th
24 Legislature, Regular Session, 1977, authorizes the
25 "creation, establishment, administration,
26 maintenance, operation, and financing" of the
27 district. The revised law omits "creation" and
28 "establishment" as executed. The revised law omits
29 "maintenance" because, in this context, the meaning of
30 that term is included in the meaning of "operation."

31 Revised Law

32 Sec. 1095.003. ESSENTIAL PUBLIC FUNCTION. The district
33 performs an essential public function in carrying out the purposes
34 of this chapter. (Acts 65th Leg., R.S., Ch. 140, Sec. 21 (part).)

35 Source Law

36 Sec. 21. In carrying out the purposes of this
37 Act, the district will be performing an essential
38 public function, and

1 Revised Law

2 Sec. 1095.004. DISTRICT TERRITORY. The boundaries of the
3 district are coextensive with the boundaries of Shackelford County,
4 Texas. (Acts 65th Leg., R.S., Ch. 140, Sec. 1 (part).)

5 Source Law

6 Sec. 1. . . . the boundaries of which shall
7 include all of the land or territory in Shackelford
8 County, Texas,

9 Revised Law

10 Sec. 1095.005. 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 65th
13 Leg., R.S., Ch. 140, Sec. 20 (part).)

14 Source Law

15 Sec. 20. The support and maintenance of the
16 hospital district shall never become a charge against
17 or obligation of the State of Texas,

18 Revised Law

19 Sec. 1095.006. 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 65th Leg., R.S., Ch. 140, Sec. 20 (part).)

23 Source Law

24 Sec. 20. . . . nor shall any direct
25 appropriation be made by the legislature for the
26 construction, maintenance, or improvement of any of
27 the facilities of the district.

28 Revisor's Note
29 (End of Subchapter)

30 Section 3, Chapter 140, Acts of the 65th
31 Legislature, Regular Session, 1977, provides
32 procedures for holding an election on the creation of
33 the district, the imposition of an ad valorem tax, and
34 the assumption of certain facilities and debt.
35 Section 8, Chapter 140, Acts of the 65th Legislature,
36 Regular Session, 1977, provides for the election to
37 include a proposition authorizing the district to
38 issue bonds. Because the election creating the

1 district has been held, the revised law omits the
2 relevant law as executed. The omitted law reads:

3 Sec. 3. (a) The district shall not be
4 created nor shall any tax be authorized
5 unless and until the creation and the tax
6 are approved by a majority of the qualified
7 electors of the area of the proposed
8 district voting at an election called and
9 held for that purpose. The election may be
10 called by a majority of the temporary
11 directors or shall be called by the
12 temporary directors on presentation of a
13 petition signed by at least 50 electors of
14 the area of the proposed district. The
15 election shall be held not less than 35 nor
16 more than 60 days after the date the
17 election is ordered. The order calling the
18 election shall specify the date, place or
19 places of holding the election, the form of
20 ballot, and the presiding judge and
21 alternate judge for each voting place, and
22 shall provide for clerks as in county
23 elections. Notice of election shall be
24 given by publishing a substantial copy of
25 the election order in a newspaper of general
26 circulation in the county once a week for
27 two consecutive weeks, the first
28 publication to appear at least 30 days
29 before the date set for the election. The
30 failure of the election shall not operate to
31 prohibit the calling and holding of
32 subsequent elections for the same purpose;
33 provided no district confirmation election
34 may be held within 12 months of any
35 preceding election for the same purpose. If
36 the district is not confirmed at an election
37 held within 60 months from the effective
38 date of this Act, this Act is repealed.

39 (b) At the election, there shall be
40 submitted to the electors of the area of the
41 proposed district the proposition of
42 whether the hospital district shall be
43 created with authority to levy annual taxes
44 . . . for the purpose of meeting the
45 requirements of the district's bonds,
46 indebtedness assumed by it, and its
47 maintenance and operating expenses, and a
48 majority of the electors of the area of the
49 proposed district voting at the election in
50 favor of the proposition shall be
51 sufficient for its adoption.

52 (c) The form of ballot used at the
53 election on the creation of the district
54 shall be in conformity with Section 61,
55 Texas Election Code, as amended (Article
56 6.05, Vernon's Texas Election Code), so that
57 ballots may be cast for or against the
58 following proposition: "The creation of
59 the Shackelford County Hospital District of
60 Shackelford County, Texas, providing for
61 the levy of a tax not to exceed 75 cents on
62 the \$100 valuation on all taxable property
63 in the district subject to hospital
64 district taxation, and providing for the
65 transfer of existing hospital facilities
66 and outstanding indebtedness issued for

1 hospital purposes of any city, town, or
2 county in the district."

3 (d) Within 10 days after the election
4 is held, the temporary directors of the
5 district shall convene and canvass the
6 returns of the election and, in the event
7 the election results favorably to the
8 proposition specified in Subsection (c) of
9 this section, the board shall so find and
10 declare the hospital district established
11 and created.

12 Sec. 8. A petition for an election to
13 create the hospital district, as provided
14 in Section 3 of this Act, may incorporate a
15 request that a separate proposition be
16 submitted at the election as to whether the
17 board of directors of the district, in the
18 event it is created, shall be authorized to
19 issue bonds for the purposes specified in
20 Section 7 of this Act. The petition shall
21 specify the maximum amount of bonds to be
22 issued and their maximum maturity and shall
23 be included in the proposition submitted at
24 the election. The temporary board, on its
25 own motion, may submit a proposition on
26 whether bonds will be issued for the
27 purposes specified in Section 7 of this Act,
28 irrespective of whether a petition so
29 requests and irrespective of whether a
30 petition is presented.

31 [Sections 1095.007-1095.050 reserved for expansion]

32 SUBCHAPTER B. DISTRICT ADMINISTRATION

33 Revised Law

34 Sec. 1095.051. BOARD ELECTION; TERM. (a) The board
35 consists of seven directors elected from the district at large.

36 (b) Unless four-year terms are established under Section
37 285.081, Health and Safety Code:

38 (1) directors serve staggered two-year terms; and

39 (2) a directors' election shall be held on the uniform
40 election date in May of each year. (Acts 65th Leg., R.S., Ch. 140,
41 Sec. 4(c) (part).)

42 Source Law

43 (c) . . . permanent directors of the district,
44 . . . shall divide themselves into two classes,
45 namely: class one, four persons to serve until the
46 first Saturday in April next following the election at
47 which the creation of the district is approved, and
48 class two, three persons to serve until the first
49 Saturday in April of the next succeeding year.
50 Successors shall be elected by vote of the qualified
51 electors of the entire district for two-year
52 terms. . . .

1 Revisor's Note

2 (1) Section 4, Chapter 140, Acts of the 65th
3 Legislature, Regular Session, 1977, prescribes the
4 procedures for the appointment of temporary directors
5 and for electing the initial board of directors
6 ("class one" and "class two"). The revised law omits
7 those provisions as executed but revises the
8 establishment of a board consisting of seven directors
9 elected from the district at large. Section 4 also
10 establishes staggered two-year terms for the initial
11 elected directors that expire on the first Saturday in
12 April in the first or second year after the election
13 ("class one" and "class two"). The revised law revises
14 the provision specifying staggered terms but omits the
15 provision relating to the date on which the initial
16 terms expire as executed.

17 (2) Section 4(c), Chapter 140, Acts of the 65th
18 Legislature, Regular Session, 1977, provides that the
19 terms of the initial directors expire on the first
20 Saturday in April in the first or second year after the
21 election of the initial directors, and in doing so
22 establishes that directors' elections are held on the
23 first Saturday in April each year. Chapter 14, Acts of
24 the 69th Legislature, 3rd Called Session, 1986,
25 amended Section 41.001, Election Code, to prescribe
26 certain uniform election dates. Section 37 of that act
27 required a political subdivision that had held its
28 general election of officers on the first Saturday in
29 April to hold that election on a uniform election date
30 in May or to choose a different uniform election date
31 on which to hold the election. The district holds
32 directors' elections on the uniform election date in
33 May, and the revised law is drafted accordingly.

34 (3) Sections 4(a), (b), and (c), Chapter 140,

1 Acts of the 65th Legislature, Regular Session, 1977,
2 prescribe the procedure for the appointment and the
3 terms of service of the temporary directors on the
4 effective date of the act. The revised law omits those
5 provisions as executed. Throughout this chapter, the
6 revised law omits references to "temporary" directors
7 as executed. The omitted law reads:

8 Sec. 4. (a) On the effective date of
9 this Act, the Commissioners Court of
10 Shackelford County shall appoint seven
11 persons to serve as temporary directors.
12 Each temporary director shall subscribe the
13 constitutional oath of office within 90
14 days of the effective date of this Act.

15 (b) Temporary directors shall serve
16 for a period of two years or until the
17 creation of the district is confirmed at an
18 election, whichever date shall occur first.
19 Any vacancy in the office of temporary
20 director, whether by reason of failure to
21 qualify or vacancy prior to the
22 confirmation of the district at an
23 election, shall be filled by appointment
24 made by the County Judge of Shackelford
25 County.

26 (c) At the time the creation of the
27 district is approved and the returns of the
28 election are officially canvassed, the
29 persons then serving as temporary directors
30 shall become

31 (4) Section 4(c), Chapter 140, Acts of the 65th
32 Legislature, Regular Session, 1977, requires each
33 director to execute the constitutional oath of office.
34 The revised law omits that provision because Section
35 1, Article XVI, Texas Constitution, requires all
36 officers to take the oath (or affirmation) before
37 assuming office. The omitted law reads:

38 (c) . . . [directors of the
39 district,] shall execute the constitutional
40 oath of office, and

41 (5) Section 4(c), Chapter 140, Acts of the 65th
42 Legislature, Regular Session, 1977, provides that
43 directors serve two-year terms. Section 285.081,
44 Health and Safety Code, applicable to this hospital
45 district, provides a mechanism by which the governing
46 board of a hospital district, on its own motion, may

1 order that the members are to be elected in
2 even-numbered years to serve staggered four-year
3 terms. The revised law is drafted accordingly and adds
4 a reference to Section 285.081 for the convenience of
5 the reader.

6 Revised Law

7 Sec. 1095.052. NOTICE OF ELECTION. At least 30 days before
8 the date of an election of directors, notice of the election shall
9 be published one time in a newspaper or newspapers that
10 individually or collectively have general circulation in the
11 district. (Acts 65th Leg., R.S., Ch. 140, Sec. 4(c) (part).)

12 Source Law

13 (c) . . . Notice of each election shall be
14 published one time at least 30 days before the date of
15 the election in a newspaper or newspapers which
16 individually or collectively provide general
17 circulation in the district. . . .

18 Revised Law

19 Sec. 1095.053. 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 be:

- 23 (1) signed by at least 10 voters; and
24 (2) filed at least 30 days before the date of the
25 election. (Acts 65th Leg., R.S., Ch. 140, Sec. 4(c) (part).)

26 Source Law

27 (c) . . . Any person desiring to have his name
28 printed on the ballot as a candidate for director shall
29 file with the secretary of the board of directors a
30 petition signed by at least 10 electors asking that his
31 name be printed on the ballot. The petition shall be
32 filed with the secretary at least 30 days before the
33 date of the election. . . .

34 Revisor's Note

35 Section 4(c), Chapter 140, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to a
37 petition signed by 10 "electors." Throughout this
38 chapter, the revised law substitutes "voters" for
39 "electors" because the former is the term used in the

1 Election Code.

2 Revised Law

3 Sec. 1095.054. QUALIFICATIONS FOR OFFICE. (a) A person may
4 not be elected or appointed as a director unless the person is:

5 (1) a resident of the district; 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; or

10 (2) a district employee. (Acts 65th Leg., R.S., Ch.
11 140, Sec. 4(d).)

12 Source Law

13 (d) No person shall be appointed or elected as a
14 member of the temporary or permanent board of
15 directors unless he is a resident of the district and a
16 qualified elector. The administrator and employees of
17 the district are not eligible to serve as directors.

18 Revised Law

19 Sec. 1095.055. BOARD VACANCY. If a vacancy occurs in the
20 office of director, the remaining directors shall appoint a
21 director for the unexpired term. (Acts 65th Leg., R.S., Ch. 140,
22 Sec. 4(c) (part).)

23 Source Law

24 (c) . . . Vacancies in office shall be filled
25 for the unexpired term by the remainder of the board of
26 directors.

27 Revised Law

28 Sec. 1095.056. OFFICERS. (a) The board shall elect:

29 (1) a president and a vice president from among its
30 members; and

31 (2) a secretary, who need not be a director.

32 (b) Each officer of the board serves for a term of one year.

33 (c) The board shall fill a vacancy in a board office for the
34 unexpired term. (Acts 65th Leg., R.S., Ch. 140, Sec. 4(e) (part).)

35 Source Law

36 (e) The board of directors, temporary and
37 permanent, shall organize by electing one of their
38 number as president and one of their number as
39 vice-president. A secretary, who need not be a

1 director, shall also be elected. Officers shall be
2 elected for a term of one year and vacancies shall be
3 filled for the unexpired term by the board of
4 directors, temporary or permanent. . . .

5 Revised Law

6 Sec. 1095.057. 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 65th Leg., R.S., Ch.
12 140, Sec. 4(e) (part).)

13 Source Law

14 (e) . . . All members of the board of directors
15 and officers shall serve without compensation but may
16 be reimbursed for actual expenses incurred in the
17 performance of their official duties on the approval
18 of those expenses by the board of directors and
19 reported in the minute book of the district or other
20 records of the district.

21 Revisor's Note

22 Section 4(e), Chapter 140, Acts of the 65th
23 Legislature, Regular Session, 1977, requires that
24 approved expenses be reported in the "minute book of
25 the district or other records of the district." The
26 revised law omits the reference to the "minute book of
27 the district" because the minute book is a district
28 record.

29 Revised Law

30 Sec. 1095.058. VOTING REQUIREMENT. A concurrence of four
31 directors is sufficient in any matter relating to district
32 business. (Acts 65th Leg., R.S., Ch. 140, Sec. 4(e) (part).)

33 Source Law

34 (e) . . . [members of the board of directors]
35 . . . a concurrence of four shall be sufficient in all
36 matters pertaining to the business of the
37 district. . . .

38 Revisor's Note

39 Section 4(e), Chapter 140, Acts of the 65th
40 Legislature, Regular Session, 1977, provides that four
41 directors constitute a quorum. The revised law omits

1 that provision because it duplicates Section 311.013,
2 Government Code (Code Construction Act), which
3 provides that a quorum of a public body is a majority
4 of the number of members fixed by statute. The omitted
5 law reads:

6 (e) . . . Any four members of the
7 board of directors shall constitute a
8 quorum, and

9 Revised Law

10 Sec. 1095.059. DISTRICT ADMINISTRATOR; ASSISTANT
11 ADMINISTRATOR. (a) The board shall appoint a qualified person as
12 district administrator.

13 (b) The board may appoint an assistant administrator.

14 (c) The district administrator and any assistant
15 administrator serve at the will of the board and are entitled to the
16 compensation determined by the board.

17 (d) On assuming the duties of district administrator, the
18 administrator shall execute a bond payable to the district in an
19 amount set by the board of not less than \$5,000 that:

20 (1) is conditioned on the administrator performing the
21 administrator's duties; and

22 (2) contains other conditions the board may require.
23 (Acts 65th Leg., R.S., Ch. 140, Sec. 5 (part).)

24 Source Law

25 Sec. 5. . . . The board of directors shall
26 appoint a qualified person as the administrator of the
27 hospital district and may, in its discretion, appoint
28 an assistant to the administrator. The administrator,
29 and assistant administrator, if any, shall serve at
30 the will of the board and shall receive such
31 compensation as may be fixed by the board. The
32 administrator shall, on assuming his duties, execute a
33 bond payable to the hospital district in an amount to
34 be set by the board of directors, in no event less than
35 \$5,000, conditioned that he shall perform the duties
36 required of him, and containing such other conditions
37 as the board may require. . . .

38 Revised Law

39 Sec. 1095.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.
40 Subject to the limitations prescribed by the board, the district
41 administrator shall:

1 (1) supervise the work and activities of the district;
2 and

3 (2) direct the affairs of the district. (Acts 65th
4 Leg., R.S., Ch. 140, Sec. 5 (part).)

5 Source Law

6 Sec. 5. . . . The administrator shall
7 supervise all the work and activities of the district
8 and shall have general direction of the affairs of the
9 district, subject to the limitations as may be
10 prescribed by the board. . . .

11 Revised Law

12 Sec. 1095.061. APPOINTMENT OF STAFF AND EMPLOYEES. (a) The
13 board may appoint to the staff any doctors as the board considers
14 necessary for the efficient operation of the district and may make
15 temporary appointments as warranted.

16 (b) The district may employ fiscal agents, accountants,
17 architects, and additional attorneys as the board considers proper.

18 (c) The board may delegate to the district administrator the
19 authority to hire district employees, including technicians and
20 nurses. (Acts 65th Leg., R.S., Ch. 140, Secs. 5 (part), 16.)

21 Source Law

22 Sec. 5. . . . The board of directors shall have
23 the authority to appoint to the staff such doctors as
24 it may deem necessary for the efficient operation of
25 the district and may provide for temporary
26 appointments to the staff if warranted by
27 circumstances. The board may delegate to the
28 administrator the authority to employ technicians,
29 nurses, and other employees of the district. . . .

30 Sec. 16. The district may employ fiscal agents,
31 accountants, architects, and additional attorneys as
32 the board may consider proper.

33 [Sections 1095.062-1095.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 1095.101. DISTRICT RESPONSIBILITY. The district has
37 full responsibility for operating all hospital facilities for
38 providing medical and hospital care for the district's needy
39 inhabitants. (Acts 65th Leg., R.S., Ch. 140, Sec. 19 (part).)

40 Source Law

41 Sec. 19. . . . The hospital district shall

1 assume full responsibility for the operation of all
2 hospital facilities for the furnishing of medical and
3 hospital care for its needy inhabitants. . . .

4 Revisor's Note

5 Section 19, Chapter 140, Acts of the 65th
6 Legislature, Regular Session, 1977, provides that the
7 district "shall assume" full responsibility for
8 operating hospital facilities for providing medical
9 and hospital care for the district's needy
10 inhabitants. The revised law substitutes "has" for
11 the quoted language because the duty to assume the
12 responsibility is executed.

13 Revised Law

14 Sec. 1095.102. RESTRICTION ON POLITICAL SUBDIVISION
15 TAXATION AND DEBT. A political subdivision located wholly or
16 partly within the district may not impose a tax or issue bonds or
17 other obligations for hospital purposes or to provide medical care
18 for district residents. (Acts 65th Leg., R.S., Ch. 140, Sec. 19
19 (part).)

20 Source Law

21 Sec. 19. After creation of the hospital
22 district, no county, municipality, or political
23 subdivision wholly or partly within the boundaries of
24 the district shall have the power to levy taxes or
25 issue bonds or other obligations for hospital purposes
26 or for providing medical care for the residents of the
27 district. . . .

28 Revisor's Note

29 (1) Section 19, Chapter 140, Acts of the 65th
30 Legislature, Regular Session, 1977, provides that
31 "[a]fter creation of the hospital district," certain
32 political subdivisions may not levy taxes or issue
33 bonds. The revised law omits the quoted language as
34 executed. In addition, throughout this chapter, the
35 revised law substitutes "impose" for "levy" because,
36 in this context, the terms are synonymous and the
37 former is more commonly used.

38 (2) Section 19, Chapter 140, Acts of the 65th
39 Legislature, Regular Session, 1977, refers to a

1 "county, municipality, or political subdivision." The
2 revised law omits the references to "municipality" and
3 "county" because "municipality" and "county" are
4 included in the meaning of "political subdivision."

5 Revised Law

6 Sec. 1095.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
7 The board shall manage, control, and administer the hospital system
8 and the district's money and resources. (Acts 65th Leg., R.S., Ch.
9 140, Sec. 5 (part).)

10 Source Law

11 Sec. 5. The board of directors shall manage,
12 control, and administer the hospital system and all
13 funds and resources of the district, but

14 Revised Law

15 Sec. 1095.104. HOSPITAL SYSTEM. (a) The district shall
16 provide for:

17 (1) the establishment of a hospital system by:

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

20 (B) equipping the buildings; and

21 (2) the administration of the system for hospital
22 purposes.

23 (b) The hospital system may include any facilities the board
24 considers necessary for hospital care. (Acts 65th Leg., R.S., Ch.
25 140, Secs. 2 (part), 10(a) (part).)

26 Source Law

27 Sec. 2. The district . . . shall provide for the
28 establishment of a hospital system by the purchase,
29 construction, acquisition, repair, and renovation of
30 buildings and equipment, and equipping same, and the
31 administration of the system for hospital
32 purposes. . . .

33 Sec. 10. (a) . . . The hospital system may
34 include facilities deemed necessary for hospital care
35 by the directors. . . .

36 Revised Law

37 Sec. 1095.105. RULES. The board may adopt rules governing
38 the operation of the hospital, the hospital system, and the
39 district's staff and employees. (Acts 65th Leg., R.S., Ch. 140,

1 Sec. 5 (part).)

2 Source Law

3 Sec. 5. . . . The district, through its board of
4 directors, shall have the power and authority . . . to
5 promulgate rules governing the operation of the
6 hospital, hospital system, its staff, and its
7 employees. . . .

8 Revisor's Note

9 Section 5, Chapter 140, Acts of the 65th
10 Legislature, Regular Session, 1977, provides that the
11 board may "promulgate" rules to govern the district.
12 The revised law substitutes "adopt" for "promulgate"
13 because the terms are synonymous and the former is more
14 commonly used.

15 Revised Law

16 Sec. 1095.106. PURCHASING AND ACCOUNTING PROCEDURES. The
17 board may prescribe:

18 (1) the method and manner of making purchases and
19 expenditures by and for the district; and

20 (2) all accounting and control procedures. (Acts 65th
21 Leg., R.S., Ch. 140, Sec. 10(b) (part).)

22 Source Law

23 (b) The board of directors of the district shall
24 have the power to prescribe the method and manner of
25 making purchases and expenditures by and for the
26 hospital district and shall also be authorized to
27 prescribe all accounting and control procedures. . . .

28 Revised Law

29 Sec. 1095.107. DISTRICT PROPERTY, FACILITIES, AND
30 EQUIPMENT. (a) The board shall determine the type, number, and
31 location of buildings required to maintain an adequate hospital
32 system.

33 (b) The board may lease all or part of the district's
34 buildings and other facilities on terms considered to be in the best
35 interest of the district's inhabitants.

36 (c) The district may acquire equipment for use in the
37 district's hospital system and mortgage or pledge the property as
38 security for the payment of the purchase price.

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 65th Leg.,
4 R.S., Ch. 140, Secs. 10(a) (part), (b) (part).)

5 Source Law

6 Sec. 10. (a) The board of directors is given
7 complete discretion as to the type of buildings, both
8 as to number and location, required to establish and
9 maintain an adequate hospital system. . . . The
10 district, through its board of directors, . . . may
11 lease all or part of its buildings and facilities on
12 terms and conditions considered to be in the best
13 interest of its inhabitants. The district shall be
14 empowered to sell or otherwise dispose of any
15 property, real or personal, or equipment of any nature
16 on terms and conditions found by the board to be in the
17 best interest of its inhabitants.

18 (b) . . . The district may acquire equipment
19 for use in its hospital system and mortgage or pledge
20 the property so acquired as security for the payment of
21 the purchase price. . . .

22 Revisor's Note

23 (1) Section 10(a), Chapter 140, Acts of the 65th
24 Legislature, Regular Session, 1977, requires the board
25 to determine the buildings required to "establish and
26 maintain" an adequate health care or hospital system.
27 The revised law omits the reference to establishing
28 the hospital system as executed.

29 (2) Section 10(a), Chapter 140, Acts of the 65th
30 Legislature, Regular Session, 1977, refers to "terms
31 and conditions." The revised law omits the references
32 to "conditions" because "conditions" is included in
33 the meaning of "terms."

34 (3) Section 10(a), Chapter 140, Acts of the 65th
35 Legislature, Regular Session, 1977, refers to "any
36 property, real or personal." The revised law omits the
37 reference to "real or personal" property because under
38 Section 311.005, Government Code (Code Construction
39 Act), "property" means "real and personal property."

40 Revised Law

41 Sec. 1095.108. EMINENT DOMAIN. (a) The district may
42 exercise the power of eminent domain to acquire a fee simple or

1 other interest in any type of property located in district
2 territory if the interest is necessary or convenient for the
3 district to exercise a power, right, or privilege conferred by this
4 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 petition for review. (Acts 65th Leg., R.S., Ch. 140,
17 Sec. 14(a).)

18 Source Law

19 Sec. 14. (a) The district shall have the right
20 and power of eminent domain for the purpose of
21 acquiring by condemnation any and all property of any
22 kind and character in fee simple, or any lesser
23 interest in property, within the boundaries of the
24 district necessary or convenient to the powers,
25 rights, and privileges conferred by this Act, in the
26 manner provided by the general law with respect to
27 condemnation by counties, provided that the district
28 shall not be required to make deposits in the registry
29 of the trial court of the sum required by Paragraph 2,
30 Article 3268, Revised Civil Statutes of Texas, 1925,
31 as amended, or to make bond as therein provided. In
32 condemnation proceedings being prosecuted by the
33 district, the district shall not be required to pay in
34 advance or give bond or other security for costs in the
35 trial court, nor to give any bond otherwise required
36 for the issuance of a temporary restraining order or a
37 temporary injunction nor to give bond for costs or for
38 supersedeas on any appeal or writ of error.

39 Revisor's Note

40 (1) Section 14(a), Chapter 140, Acts of the 65th
41 Legislature, Regular Session, 1977, provides that the
42 district has the "right and power of eminent domain for
43 the purpose of acquiring [property] by condemnation."
44 The revised law substitutes for the quoted language

1 "may exercise the power of eminent domain to acquire
2 [property]" because the phrases have the same meaning,
3 and the latter phrase is consistent with modern usage
4 in laws relating to eminent domain.

5 (2) Section 14(a), Chapter 140, Acts of the 65th
6 Legislature, Regular Session, 1977, provides that the
7 district must exercise the power of eminent domain in
8 the manner provided by "the general law with respect to
9 condemnation by counties." The revised law
10 substitutes for the quoted language a reference to
11 Chapter 21, Property Code, because that is the general
12 law governing eminent domain for governmental
13 entities, including counties.

14 (3) Section 14(a), Chapter 140, Acts of the 65th
15 Legislature, Regular Session, 1977, refers to
16 "Paragraph 2, Article 3268, Revised Civil Statutes of
17 Texas, 1925, as amended." That statute was codified in
18 1983 as Section 21.021(a), Property Code, and the
19 revised law is drafted accordingly. In addition,
20 throughout this chapter, the revised law omits the
21 references to "as amended" because under Section
22 311.027, Government Code (Code Construction Act), a
23 reference to a statute applies to all reenactments,
24 revisions, or amendments of the statute unless
25 expressly provided otherwise.

26 (4) Section 14(a), Chapter 140, Acts of the 65th
27 Legislature, Regular Session, 1977, refers to a "writ
28 of error." The revised law substitutes "petition for
29 review" for "writ of error" because, effective
30 September 1, 1997, the Texas Supreme Court replaced
31 the writ of error procedure with the petition for
32 review procedure. See Rule 53.1, Rules of Appellate
33 Procedure.

1 Revised Law

2 Sec. 1095.109. COST OF RELOCATING OR ALTERING PROPERTY. In
3 exercising the power of eminent domain, if the board requires
4 relocating, raising, lowering, rerouting, changing the grade of, or
5 altering the construction of any railroad, electric transmission,
6 telegraph or telephone line, conduit, pole, or facility, or
7 pipeline, the board must bear the actual cost of relocating,
8 raising, lowering, rerouting, changing the grade, or altering the
9 construction to provide comparable replacement without enhancement
10 of facilities, after deducting the net salvage value derived from
11 the old facility. (Acts 65th Leg., R.S., Ch. 140, Sec. 14(b).)

12 Source Law

13 (b) If the board requires the relocation,
14 raising, lowering, rerouting, or change in grade or
15 alteration in the construction of any railroad,
16 electric transmission, telegraph or telephone lines,
17 conduits, poles, or facilities, or pipelines in the
18 exercise of the power of eminent domain, all of the
19 relocation, raising, lowering, rerouting, or changes
20 in grade or alteration of construction due to the
21 exercise of the power of eminent domain shall be the
22 sole expense of the board. The term 'sole expense'
23 means the actual cost of relocation, raising,
24 lowering, rerouting, or change in grade or alteration
25 of construction to provide comparable replacement
26 without enhancement of facilities, after deducting the
27 net salvage value derived from the old facility.

28 Revised Law

29 Sec. 1095.110. GIFTS AND ENDOWMENTS. The board may accept
30 for the district a gift or endowment to be held in trust and
31 administered by the board for the purposes and under the
32 directions, limitations, or other provisions prescribed in writing
33 by the donor that are not inconsistent with the proper management
34 and objectives of the district. (Acts 65th Leg., R.S., Ch. 140,
35 Sec. 18.)

36 Source Law

37 Sec. 18. The board of directors of the hospital
38 district is authorized on behalf of the district to
39 accept donations, gifts, and endowments to be held in
40 trust and administered by the board of directors for
41 such purposes and under such directions, limitations,
42 and provisions as may be prescribed in writing by the
43 donor not inconsistent with proper management and
44 object of the hospital district.

1 accordingly.

2 (2) Section 10(b), Chapter 140, Acts of the 65th
3 Legislature, Regular Session, 1977, provides that the
4 provisions of Article 5160, Revised Civil Statutes of
5 Texas, 1925, apply to the district's construction
6 contracts in relation to performance and payment
7 bonds. The revised law omits that reference because
8 Article 5160 was codified as Chapter 2253, Government
9 Code, and that chapter applies to hospital districts
10 on its own terms. The omitted law reads:

11 (b) . . . The provisions of Article
12 5160, Revised Civil Statutes of Texas,
13 1925, as amended, relating to performance
14 and payment bonds shall apply to
15 construction contracts let by the
16 district. . . .

17 Revised Law

18 Sec. 1095.112. OPERATING AND MANAGEMENT CONTRACTS. The
19 board may enter into an operating or management contract relating
20 to a district facility. (Acts 65th Leg., R.S., Ch. 140, Sec. 10(a)
21 (part).)

22 Source Law

23 (a) . . . [The district, through its board of
24 directors,] is further authorized to enter into an
25 operating or management contract with regard to its
26 facilities or a part of its facilities or

27 Revised Law

28 Sec. 1095.113. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
29 CARE AND TREATMENT. (a) The board may contract with a county or
30 municipality located outside the district's boundaries for the care
31 and treatment of a sick or injured person of that county or
32 municipality.

33 (b) The board may contract with this state or a federal
34 agency for the treatment of a sick or injured person. (Acts 65th
35 Leg., R.S., Ch. 140, Sec. 5 (part).)

36 Source Law

37 Sec. 5. . . . The board . . . shall be
38 authorized to contract with any county or incorporated
39 municipality located outside its boundaries for the
40 care and treatment of the sick, diseased, or injured

1 persons of any such county or municipality and shall
2 have the authority to contract with the State of Texas
3 or agencies of the federal government for the
4 treatment of sick, diseased, or injured persons.

5 Revisor's Note

6 (1) Section 5, Chapter 140, Acts of the 65th
7 Legislature, Regular Session, 1977, refers to an
8 "incorporated" municipality. The revised law omits
9 the reference to "incorporated" because under the
10 Local Government Code all municipalities must be
11 incorporated.

12 (2) Section 5, Chapter 140, Acts of the 65th
13 Legislature, Regular Session, 1977, refers to the
14 treatment of "sick, diseased, or injured persons."
15 The revised law omits the references to "diseased"
16 because "diseased" is included in the meaning of
17 "sick."

18 Revised Law

19 Sec. 1095.114. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
20 INVESTIGATORY OR OTHER SERVICES. The board may contract with a
21 political subdivision or governmental agency for the district to
22 provide investigatory or other services for the medical, hospital,
23 or welfare needs of district inhabitants. (Acts 65th Leg., R.S.,
24 Ch. 140, Sec. 5 (part).)

25 Source Law

26 Sec. 5. . . . The board shall be authorized to
27 contract with any other political subdivision or
28 governmental agency whereby the district will provide
29 investigatory or other services as to the medical,
30 hospital, or welfare needs of the inhabitants of the
31 district and

32 Revised Law

33 Sec. 1095.115. PAYMENT FOR TREATMENT; PROCEDURES. (a)
34 When a patient who resides in the district is admitted to a district
35 facility, the district administrator may have an inquiry made into
36 the circumstances of:

- 37 (1) the patient; and
38 (2) the patient's relatives who are legally liable for
39 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 estate of the patient, or from any relative who is legally
13 liable for the patient's support, in the manner provided by law for
14 the 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; and

19 (2) issue any appropriate orders.

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 65th Leg., R.S., Ch. 140, Sec. 17.)

23 Source Law

24 Sec. 17. Whenever a patient residing within the
25 district has been admitted to the facilities of the
26 district, the administrator may have an inquiry made
27 as to his circumstances and those of the relatives of
28 the patient legally liable for his support. If he
29 finds that the patient or his relatives are able to pay
30 for his care and treatment in whole or in part, an
31 order shall be made directing the patient or his
32 relatives to pay to the hospital district for the care
33 and support of the patient a specified sum per week in
34 proportion to their financial ability. The
35 administrator shall have the power and authority to
36 collect these sums from the estate of the patient or
37 his relatives legally liable for his support in the
38 manner provided by law for collection of expenses in
39 the last illness of a deceased person. If the
40 administrator finds that the patient or his relatives
41 are not able to pay either in whole or in part for his
42 care and treatment in the hospital, they shall become a
43 charge on the hospital district as to the amount of the
44 inability to pay. Should there be a dispute as to the
45 ability to pay or doubt in the mind of the

1 administrator, the board of directors shall hear and
2 resolve the dispute after calling witnesses, and shall
3 make order or orders as may be proper. Appeals from a
4 final order of the board shall lie to the district
5 court. The substantial evidence rule shall apply.

6 Revised Law

7 Sec. 1095.116. AUTHORITY TO SUE AND BE SUED. The district,
8 through the board, may sue and be sued. (Acts 65th Leg., R.S., Ch.
9 140, Sec. 5 (part).)

10 Source Law

11 Sec. 5. . . . The district, through its board of
12 directors, shall have the power and authority to sue
13 and be sued and

14 Revised Law

15 Sec. 1095.117. ELECTION DATE. Notwithstanding Section
16 41.001(a), Election Code, the board may choose the date for an
17 election held under this chapter other than a directors' election
18 under Section 1095.051. (Acts 65th Leg., R.S., Ch. 140, Sec. 3(e).)

19 Source Law

20 (e) Within the limitations imposed by this Act,
21 the directors or temporary directors of the district
22 may choose the date for any election held under the
23 provisions of this Act, notwithstanding the provisions
24 of Section 9b, Texas Election Code (Article 2.01b,
25 Vernon's Texas Election Code).

26 Revisor's Note

27 (1) Section 3(e), Chapter 140, Acts of the 65th
28 Legislature, Regular Session, 1977, provides that
29 "[w]ithin the limitations imposed by this Act," the
30 board may choose a date for an election. The revised
31 law substitutes a reference to a directors' election
32 under Section 1095.051 because that section is the
33 only provision in the revised law requiring an
34 election to be held on a uniform election date.

35 (2) Section 3(e), Chapter 140, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to "Section
37 9b, Texas Election Code (Article 2.01b, Vernon's Texas
38 Election Code)." In 1985, Section 9b was codified as
39 Section 41.001(a), Election Code, and the revised law
40 is drafted accordingly.

1 [Sections 1095.118-1095.150 reserved for expansion]

2 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3 Revised Law

4 Sec. 1095.151. BUDGET. (a) The district administrator
5 shall prepare an annual budget for approval by the board.

6 (b) The proposed budget must contain a complete financial
7 statement of:

8 (1) the outstanding obligations of the district;

9 (2) the cash on hand in each district fund;

10 (3) the money received by the district from all
11 sources during the previous year;

12 (4) the money available to the district from all
13 sources during the ensuing year;

14 (5) the balances expected at the end of the year in
15 which the budget is being prepared;

16 (6) the estimated revenue and balances available to
17 cover the proposed budget; and

18 (7) the estimated tax rate required. (Acts 65th Leg.,
19 R.S., Ch. 140, Sec. 6 (part).)

20 Source Law

21 Sec. 6. . . . The administrator shall prepare
22 an annual budget for approval by the board of
23 directors. The budget shall also contain a complete
24 financial statement of the district showing all
25 outstanding obligations of the district, the cash on
26 hand to the credit of each and every fund of the
27 district, the funds received from all sources during
28 the previous year, the funds available from all
29 sources during the ensuing year, the balances expected
30 at year end of the year in which the budget is being
31 prepared, and estimated revenues and balances
32 available to cover the proposed budget, and the
33 estimated tax rate that will be required. . . .

34 Revised Law

35 Sec. 1095.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a)
36 The board shall hold a public hearing on the proposed annual budget.

37 (b) Notice of the hearing must be published one time at
38 least 10 days before the date of the hearing.

39 (c) Any district resident is entitled to be present and
40 participate at the hearing.

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 65th Leg., R.S., Ch. 140, Sec. 6
6 (part).)

7 Source Law

8 Sec. 6. . . . A public hearing on the annual
9 budget shall be held by the board of directors after
10 notice of a hearing has been published one time at
11 least 10 days before the date set for the hearing. Any
12 person residing in the district shall have the right to
13 be present and participate in the hearing. At the
14 conclusion of the hearing, the budget, as proposed by
15 the administrator, shall be acted on by the board of
16 directors. The board of directors shall have
17 authority to make changes in the budget which in their
18 judgment the law warrants and the interest of the
19 taxpayers demands. . . . the annual budget and . . .
20 shall be approved by the board of directors. . . .

21 Revised Law

22 Sec. 1095.153. AMENDMENTS TO BUDGET. The budget may be
23 amended as required by circumstances. The board must approve all
24 amendments. (Acts 65th Leg., R.S., Ch. 140, Sec. 6 (part).)

25 Source Law

26 Sec. 6. . . . The annual budget may be amended
27 from time to time as the circumstances may require, but
28 . . . all amendments to it shall be approved by the
29 board of directors. . . .

30 Revisor's Note

31 Section 6, Chapter 140, Acts of the 65th
32 Legislature, Regular Session, 1977, states that the
33 board may amend the budget "from time to time." The
34 revised law omits the quoted language because the
35 authority to take an action implies the authority to do
36 so at any time.

37 Revised Law

38 Sec. 1095.154. RESTRICTION ON EXPENDITURES. Money may be
39 spent only for an expense included in the budget or an amendment to
40 the budget. (Acts 65th Leg., R.S., Ch. 140, Sec. 6 (part).)

41 Source Law

42 Sec. 6. . . . No expenditure may be made for any

1 expense not included in the annual budget or an
2 amendment to it. . . .

3 Revised Law

4 Sec. 1095.155. FISCAL YEAR. (a) The district operates
5 according to a fiscal year established by the board.

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

7 (1) during a period that district revenue bonds are
8 outstanding; or

9 (2) more than once in a 24-month period. (Acts 65th
10 Leg., R.S., Ch. 140, Sec. 6 (part).)

11 Source Law

12 Sec. 6. The district shall be operated on the
13 basis of a fiscal year as established by the board of
14 directors, provided such fiscal year may not be
15 changed during the time revenue bonds of the district
16 are outstanding or more than once in any 24-month
17 period. . . .

18 Revised Law

19 Sec. 1095.156. ANNUAL AUDIT. The board annually shall have
20 an audit made of the district's financial condition. (Acts 65th
21 Leg., R.S., Ch. 140, Sec. 6 (part).)

22 Source Law

23 Sec. 6. . . . The board shall have an annual
24 audit made of the financial condition of the
25 district,

26 Revised Law

27 Sec. 1095.157. INSPECTION OF ANNUAL AUDIT AND DISTRICT
28 RECORDS. The annual audit and other district records shall be open
29 to inspection at the district's principal office. (Acts 65th Leg.,
30 R.S., Ch. 140, Sec. 6 (part).)

31 Source Law

32 Sec. 6. . . . [The board shall have an annual
33 audit made of the financial condition of the
34 district,] which together with other records of the
35 district shall be open to inspection at the principal
36 office of the district. . . .

37 Revised Law

38 Sec. 1095.158. FINANCIAL REPORT. As soon as practicable
39 after the close of each fiscal year, the district administrator
40 shall prepare for the board:

41 (1) a complete sworn statement of all district money;

1 and

2 (2) a complete account of the disbursements of that
3 money. (Acts 65th Leg., R.S., Ch. 140, Sec. 6 (part).)

4 Source Law

5 Sec. 6. . . . As soon as practicable after the
6 close of each fiscal year, the administrator shall
7 prepare for the board a full sworn statement of all
8 money belonging to the district and a full account of
9 the disbursements of same.

10 Revised Law

11 Sec. 1095.159. DEPOSITORY. (a) The board shall select one
12 or more banks inside or outside the district to serve as a
13 depository for district money.

14 (b) District money, other than money invested as provided by
15 Section 1095.160(b), and money transmitted to a bank for payment of
16 bonds or obligations issued or assumed by the district, shall be
17 deposited as received with the depository bank and shall remain on
18 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.

22 (d) The district may not deposit money with a bank in an
23 amount that exceeds the maximum amount secured by the Federal
24 Deposit Insurance Corporation unless the bank first executes a bond
25 or other security in an amount sufficient to secure from loss the
26 district money that exceeds the amount secured by the Federal
27 Deposit Insurance Corporation. (Acts 65th Leg., R.S., Ch. 140,
28 Sec. 11.)

29 Source Law

30 Sec. 11. (a) The board of directors of the
31 district shall name one or more banks within or without
32 its boundaries to serve as depository for the funds of
33 the district. All funds of the district, except those
34 invested as provided in Section 5 of this Act and those
35 transmitted to a bank or banks of payment for bonds or
36 obligations issued or assumed by the district, shall
37 be deposited as received with the depository bank and
38 shall remain on deposit, provided that nothing in this
39 Act shall limit the power of the board to place a
40 portion of the funds on time deposit or purchase
41 certificates of deposit.

42 (b) Before the district deposits in any bank
43 funds of the district in an amount that exceeds the

1 maximum amount secured by the Federal Deposit
2 Insurance Corporation, the bank shall be required to
3 execute a bond or other security in an amount
4 sufficient to secure from loss the district funds
5 which exceed the amount secured by the Federal Deposit
6 Insurance Corporation.

7 Revised Law

8 Sec. 1095.160. SPENDING AND INVESTMENT RESTRICTIONS. (a)
9 Except as otherwise provided by Section 1095.107(c) and by
10 Subchapter E, the district may not incur an obligation payable from
11 district revenue other than the revenue on hand or to be on hand in
12 the current and following district fiscal 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 65th Leg., R.S., Ch. 140, Secs. 5
16 (part), 10(b) (part).)

17 Source Law

18 Sec. 5. . . . in no event shall any operating,
19 depreciation, or building reserves be invested in any
20 funds or securities other than those specified in
21 Article 836 or 837, Revised Civil Statutes of Texas,
22 1925, as amended. . . .

23 [Sec. 10]

24 (b) . . . Except as permitted in the preceding
25 sentence and Sections 7, 8, and 9 of this Act, the
26 district may incur no obligation payable from any
27 revenues of the district, tax or otherwise, except
28 those on hand or to be on hand within the then current
29 and following fiscal year of the district.

30 Revisor's Note

31 (1) Section 5, Chapter 140, Acts of the 65th
32 Legislature, Regular Session, 1977, refers to "Article
33 836 or 837, Revised Civil Statutes of Texas, 1925, as
34 amended." Those articles were impliedly repealed by
35 the enactment of the Public Funds Investment Act of
36 1987 (Article 842a-2, Vernon's Texas Civil Statutes),
37 which was revised in 1993 as Chapter 2256, Government
38 Code. Chapter 2256 defines "local government" to
39 include hospital districts and applies to the district
40 by its own terms. The revised law therefore
41 substitutes a reference to Chapter 2256, Government
42 Code, for the references to Articles 836 and 837.

1 Revised Law

2 Sec. 1095.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
3 the time general obligation bonds are issued by the district under
4 Section 1095.201, 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 75
9 cents on each \$100 valuation of all taxable property in the
10 district. (Acts 65th Leg., R.S., Ch. 140, Sec. 7(a) (part).)

11 Source Law

12 (a) . . . At the time of the issuance of any
13 bonds by the district a tax shall be levied by the
14 board sufficient to create an interest and sinking
15 fund to pay the interest on and principal of the bonds
16 as they mature, providing the tax together with any
17 other taxes levied for the district shall not exceed 75
18 cents on each \$100 valuation of all taxable property
19 located in the district subject to hospital district
20 taxation in any one year. . . .

21 Revisor's Note

22 Section 7(a), Chapter 140, Acts of the 65th
23 Legislature, Regular Session, 1977, requires the
24 district to levy a tax to pay the principal of and
25 interest on bonds. The revised law specifies that the
26 tax is an "ad valorem" tax because it is clear from the
27 source law that the tax is a property tax and "ad
28 valorem" is the term most commonly used to refer to a
29 property tax.

30 Revised Law

31 Sec. 1095.203. GENERAL OBLIGATION BOND ELECTION. (a) The
32 district may issue general obligation bonds only if the bonds are
33 authorized by a majority of the district voters.

34 (b) The order calling the election shall provide for clerks
35 as in county elections and must specify:

- 36 (1) the date of the election;
37 (2) the location of the polling places;
38 (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. (Acts 65th Leg., R.S., Ch. 140,
6 Sec. 7(a) (part).)

7 Source Law

8 (a) . . . No bonds shall be issued by the
9 hospital district . . . until authorized by a majority
10 of the electors of the district. The order for bond
11 election shall specify the date of the election, the
12 amount of bonds to be authorized, the maximum maturity
13 of the bonds, the place or places where the election
14 shall be held, and the presiding judge and alternate
15 judge for each voting place, and shall provide for
16 clerks as in county elections. Notice of any bond
17 election, . . . shall be given as provided in Article
18 704, Revised Civil Statutes of Texas, 1925, as
19 amended, and shall be conducted in accordance with the
20 Texas Election Code, as amended, except as modified by
21 the provisions of this Act.

22 Revisor's Note

23 (1) Section 7(a), Chapter 140, Acts of the 65th
24 Legislature, Regular Session, 1977, provides an
25 exception for notice of a bond election under Section
26 8. As explained in the revisor's note to the end of
27 Subchapter A, Section 8 is executed. The revised law
28 therefore omits the provision. The omitted law reads:

29 (a) . . . [Notice of any bond
30 election,] except one held under the
31 provisions of Section 8 of this Act,

32 (2) Section 7(a), Chapter 140, Acts of the 65th
33 Legislature, Regular Session, 1977, refers to Article
34 704, Revised Statutes, which specifies certain notice
35 requirements for a bond election. That provision was
36 codified in 1999 as Section 1251.003, Government Code.
37 The revised law is drafted accordingly.

38 (3) Section 7(a), Chapter 140, Acts of the 65th
39 Legislature, Regular Session, 1977, provides that an
40 election under Section 7 "shall be conducted in
41 accordance with the Texas Election Code, as amended,
42 except as modified by the provisions of this Act." The

1 revised law omits the quoted language because Section
2 1.002, Election Code, provides that the Election Code
3 applies to all elections held in this state. An
4 exception to the application of the Election Code,
5 such as Section 3(e), Chapter 140, Acts of the 65th
6 Legislature, Regular Session, 1977, revised as Section
7 1095.117, would apply by its own terms.

8 Revised Law

9 Sec. 1095.204. MATURITY OF GENERAL OBLIGATION BONDS.
10 District general obligation bonds must mature not later than 40
11 years after the date of issuance. (Acts 65th Leg., R.S., Ch. 140,
12 Sec. 7(c) (part).)

13 Source Law

14 (c) Bonds of the district shall mature within 40
15 years of their date,

16 Revised Law

17 Sec. 1095.205. 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 in the
21 manner provided by Chapter 618, Government Code. (Acts 65th Leg.,
22 R.S., Ch. 140, Sec. 7(c) (part).)

23 Source Law

24 (c) [Bonds of the district] . . . shall be
25 executed in the name of the hospital district and in
26 its behalf by the president of the board, and
27 countersigned by the secretary in the manner provided
28 by Chapter 204, Acts of the 57th Legislature, Regular
29 Session, 1961, as amended (Article 717j-1, Vernon's
30 Texas Civil Statutes),

31 Revisor's Note

32 (1) Section 7(c), Chapter 140, Acts of the 65th
33 Legislature, Regular Session, 1977, refers to "Chapter
34 204, Acts of the 57th Legislature, Regular Session,
35 1961, as amended (Article 717j-1, Vernon's Texas Civil
36 Statutes)." That statute was codified in 1999 as
37 Chapter 618, Government Code, and the revised law is
38 drafted accordingly.

1 (2) Section 7(c), Chapter 140, Acts of the 65th
2 Legislature, Regular Session, 1977, provides that
3 district bonds issued must bear interest at a rate not
4 to exceed that provided by "Chapter 3, Acts of the 61st
5 Legislature, Regular Session, 1969, as amended
6 (Article 717k-2, Vernon's Texas Civil Statutes)." The
7 maximum interest rate noted in Chapter 3 was codified
8 in 1999 as Section 1204.006, Government Code. Section
9 1204.006, Government Code, permits a public agency,
10 including a hospital district, to issue public
11 securities at any net effective interest rate of 15
12 percent or less and applies to the district under
13 Section 1204.001, Government Code. The revised law
14 omits the reference because it duplicates Section
15 1204.006, Government Code. The omitted law reads:

16 (c) [Bonds of the district] . . .
17 shall bear interest at a rate not to exceed
18 that prescribed by Chapter 3, Acts of the
19 61st Legislature, Regular Session, 1969, as
20 amended (Article 717k-2, Vernon's Texas
21 Civil Statutes), and

22 (3) Section 7(c), Chapter 140, Acts of the 65th
23 Legislature, Regular Session, 1977, provides that
24 district bonds are subject to the law governing
25 counties that relates to bond approval by the attorney
26 general and registration of the bonds by the
27 comptroller. Section 7(c) also provides that after
28 approval and registration the bonds are "incontestable
29 for any cause." The revised law omits those provisions
30 as superseded by Chapter 1202, Government Code
31 (enacted as Article 3, Chapter 53, Acts of the 70th
32 Legislature, 2nd Called Session, 1987). Section
33 1202.003(a), Government Code, requires bonds to be
34 submitted to the attorney general. Section
35 1202.003(b), Government Code, provides for approval of
36 the bonds by the attorney general and requires the
37 attorney general to submit the approved bonds to the

1 comptroller for registration. Section 1202.005,
2 Government Code, requires registration of the bonds by
3 the comptroller. Section 1202.006, Government Code,
4 provides that after approval and registration the
5 bonds are incontestable and binding obligations.
6 Chapter 1202, Government Code, applies to bonds issued
7 under this chapter by application of Section 1202.001,
8 Government Code. The omitted law reads:

9 (c) [Bonds of the district] . . .
10 shall be subject to the same requirements in
11 the manner of approval by the attorney
12 general and registration by the comptroller
13 of public accounts as are by law provided
14 for approval and registration of bonds
15 issued by counties. On the approval of the
16 bonds by the attorney general and
17 registration by the comptroller, the same
18 shall be incontestable for any cause.

19 Revised Law

20 Sec. 1095.206. 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.

28 (c) The bonds may be additionally secured by a mortgage or
29 deed of trust lien on all or part of district property.

30 (d) The bonds must be issued in the manner and in accordance
31 with the procedures and requirements prescribed by Sections
32 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health
33 and Safety Code, for issuance of revenue bonds by a county hospital
34 authority. (Acts 65th Leg., R.S., Ch. 140, Sec. 9 (part).)

35 Source Law

36 Sec. 9. In addition to the power to issue bonds
37 payable from taxes levied by the district, as
38 contemplated by Section 8 of this Act, the board of
39 directors is further authorized to issue and . . .
40 revenue bonds for purchasing, constructing,
41 acquiring, repairing, equipping, or renovating
42 buildings and improvements for hospital purposes, and

1 for acquiring sites for hospitals purposes, the bonds
2 to be payable from and secured by a pledge of all or any
3 part of the revenues of the district to be derived from
4 the operation of its hospital or hospitals, and the
5 bonds may be additionally secured by a mortgage or deed
6 of trust lien on any part or all of its properties. The
7 bonds shall be issued in the manner and in accordance
8 with the procedures and requirements specified for the
9 issuance of revenue bonds by county hospital
10 authorities in Sections 8 and 10 through 13 of Chapter
11 122, Acts of the 58th Legislature, Regular Session,
12 1963, as amended (Article 4494r, Vernon's Texas Civil
13 Statutes).

14 Revisor's Note

15 Section 9, Chapter 140, Acts of the 65th
16 Legislature, Regular Session, 1977, refers to Sections
17 8 and 10 through 13 of Chapter 122, Acts of the 58th
18 Legislature, Regular Session, 1963 (Article 4494r,
19 Vernon's Texas Civil Statutes). Those provisions were
20 codified in 1989 as Sections 264.042, 264.043,
21 264.046, 264.047, 264.048, and 264.049, Health and
22 Safety Code. The revised law is drafted accordingly.

23 Revised Law

24 Sec. 1095.207. REFUNDING BONDS. (a) The board may, without
25 an election, issue refunding bonds to refund outstanding
26 indebtedness issued or assumed by the district.

27 (b) A refunding bond may be:

28 (1) sold, with the proceeds of the refunding bond
29 applied to the payment of the outstanding indebtedness; or

30 (2) exchanged wholly or partly for not less than a
31 similar principal amount of outstanding indebtedness. (Acts 65th
32 Leg., R.S., Ch. 140, Secs. 7(a) (part), (b) (part), 9 (part).)

33 Source Law

34 Sec. 7. (a) . . . [No bonds shall be issued by
35 the hospital district] except refunding bonds [until
36 authorized by a majority of the electors of the
37 district.] . . .

38 (b) Refunding bonds of the district may be
39 issued for the purpose of refunding and paying off any
40 outstanding indebtedness it has issued or assumed.
41 The refunding bonds may be sold and the proceeds
42 applied to the payment of outstanding indebtedness or
43 may be exchanged in whole or in part for not less than a
44 like principal amount of outstanding indebtedness.
45 . . .

46 Sec. 9. . . . [the board of directors is further
47 authorized] . . . to refund any previously issued

1 [revenue bonds]

2 Revisor's Note

3 Section 7(b), Chapter 140, Acts of the 65th
4 Legislature, Regular Session, 1977, provides that
5 refunding bonds sold to pay outstanding indebtedness
6 must be issued and payments made in the manner
7 specified by Chapter 503, Acts of the 54th
8 Legislature, Regular Session, 1955, as amended
9 (Article 717k, Vernon's Texas Civil Statutes). In
10 addition, the section provides that refunding bonds
11 must be issued in conformity with Chapter 784, Acts of
12 the 61st Legislature, Regular Session, 1969 (Article
13 717k-3, Vernon's Texas Civil Statutes). Articles 717k
14 and 717k-3 were codified in 1999 as Chapter 1207,
15 Government Code. The revised law omits the provisions
16 because Chapter 1207, Government Code, applies to the
17 district by its own terms under Section 1207.001,
18 Government Code. The omitted law reads:

19 (b) . . . If the refunding bonds are
20 to be sold and the proceeds applied to the
21 payment of any outstanding indebtedness,
22 the refunding bonds shall be issued and
23 payments made in the manner specified by
24 Chapter 503, Acts of the 54th Legislature,
25 Regular Session, 1955, as amended (Article
26 717k, Vernon's Texas Civil Statutes).
27 Refunding bonds shall be issued in
28 conformity with Chapter 784, Acts of the
29 61st Legislature, Regular Session, 1969
30 (Article 717k-3, Vernon's Texas Civil
31 Statutes).

32 Revised Law

33 Sec. 1095.208. BONDS EXEMPT FROM TAXATION. The following
34 are exempt from taxation by this state or a political subdivision of
35 this state:

- 36 (1) bonds issued by the district;
37 (2) the transfer and issuance of the bonds; and
38 (3) profits made in the sale of the bonds. (Acts 65th
39 Leg., R.S., Ch. 140, Sec. 21 (part).)

40 Source Law

41 Sec. 21. . . . any bonds issued by it and their

1 transfer and the issuance by the district, including
2 any profits made in the sale of the bonds, shall at all
3 times be free from taxation by the state or any
4 municipality or political subdivision of the state.

5 Revisor's Note

6 Section 21, Chapter 140, Acts of the 65th
7 Legislature, Regular Session, 1977, refers to "any
8 municipality or political subdivision" of this state.
9 The revised law omits "municipality" because that term
10 is included in the meaning of "political subdivision"
11 of this state.

12 Revisor's Note
13 (End of Subchapter)

14 (1) Section 13, Chapter 140, Acts of the 65th
15 Legislature, Regular Session, 1977, provides that
16 district bonds are authorized investments for certain
17 entities. The revised law omits the provision as
18 unnecessary. As to several of the entities listed,
19 Section 13 has been superseded and impliedly repealed.
20 Investments in securities by banks are regulated by
21 Section 34.101, Finance Code (enacted in 1995 as
22 Section 5.101, Texas Banking Act (Article 342-5.101,
23 Vernon's Texas Civil Statutes)). Investments in
24 securities by savings banks are regulated by Section
25 93.001(c)(10), Finance Code (enacted in 1993 as
26 Section 7.15(10), Texas Savings Bank Act (Article
27 489e, Vernon's Texas Civil Statutes)). Investments in
28 securities by trust companies are regulated by Section
29 184.101, Finance Code (enacted in 1997 as Section
30 5.101, Texas Trust Company Act (Article 342a-5.101,
31 Vernon's Texas Civil Statutes)). Investments in
32 securities by savings and loan associations are
33 regulated by Sections 63.002 and 64.001, Finance Code.
34 As to the remaining entities listed, Section 13 is
35 superseded by Section 1201.041, Government Code,
36 enacted as Section 9, Bond Procedures Act of 1981
37 (Article 717k-6, Vernon's Texas Civil Statutes).

1 Section 1201.041, Government Code, applies to district
2 bonds by application of Section 1201.002, Government
3 Code. The revised law omits the reference to public
4 funds of this state because it has been superseded by
5 Section 404.024, Government Code (enacted in 1985 as
6 Section 2.014, Treasury Act (Article 4393-1, Vernon's
7 Texas Civil Statutes)), which governs the investment
8 of state funds. Section 404.024(b)(10), Government
9 Code, authorizes the investment of state funds in
10 obligations of political subdivisions, including
11 hospital districts. The revised law omits the
12 reference to public funds of political subdivisions or
13 corporations of the state because it has been
14 superseded by Chapter 2256, Government Code (enacted
15 in 1987 as the Public Funds Investment Act of 1987
16 (Article 842a-2, Vernon's Texas Civil Statutes)),
17 which governs the investment of local funds. The
18 omitted law reads:

19 Sec. 13. All bonds issued and
20 indebtedness assumed by the district shall
21 be and are hereby declared to be legal and
22 authorized investments of banks, savings
23 banks, trust companies, building and loan
24 associations, savings and loan
25 associations, insurance companies,
26 trustees, and sinking funds of cities,
27 towns, villages, counties, school
28 districts, or other political subdivisions
29 or corporations of the State of Texas, and
30 public funds of the State of Texas, or
31 cities, towns, villages, counties, school
32 districts, or other political subdivisions
33 or corporations of the State of Texas, and
34

35 (2) Section 13, Chapter 140, Acts of the 65th
36 Legislature, Regular Session, 1977, effectively
37 provides that district bonds may secure certain
38 deposits. Although Section 13 does not specifically
39 mention the deposits the bonds are eligible to secure,
40 the only deposits the bonds could secure are deposits
41 of public funds of this state or political
42 subdivisions of this state. Therefore, the revised law

1 omits the provision as impliedly repealed by Section
2 404.0221, Government Code (enacted in 1995), which
3 lists eligible collateral for deposits of state funds
4 by the comptroller, and by Chapter 2257, Government
5 Code (enacted in 1989 as Article 2529d, Vernon's Texas
6 Civil Statutes), which governs eligible collateral for
7 deposits of funds of other public agencies, including
8 political subdivisions. The omitted law reads:

9 Sec. 13. . . . shall be lawful and
10 sufficient security for those deposits to
11 the extent of their value when accompanied
12 by all unmatured coupons appurtenant
13 thereto.

14 [Sections 1095.209-1095.250 reserved for expansion]

15 SUBCHAPTER F. TAXES

16 Revised Law

17 Sec. 1095.251. IMPOSITION OF AD VALOREM TAX. (a) The board
18 shall impose a tax on all property in the district subject to
19 district taxation.

20 (b) The board shall impose the tax to pay:

- 21 (1) indebtedness issued or assumed by the district;
22 and
23 (2) the maintenance and operating expenses of the
24 district.

25 (c) The board may not impose a tax to pay the principal of or
26 interest on revenue bonds issued under this chapter. (Acts 65th
27 Leg., R.S., Ch. 140, Secs. 12(a) (part), 15(a) (part).)

28 Source Law

29 Sec. 12. (a) The board of directors shall
30 annually levy a tax . . . for the purpose of paying:
31 (1) the indebtedness assumed or issued by
32 the district, but no tax shall be levied to pay
33 principal of or interest on revenue bonds issued under
34 the provisions of Section 9 of this Act; and
35 (2) the maintenance and operating expenses
36 of the district.

37 Sec. 15. (a) . . . Hospital tax shall be levied
38 on all taxable property within the district subject to
39 hospital district taxation.

40 Revised Law

41 Sec. 1095.252. TAX RATE. (a) The board may impose the tax

1 at a rate not to exceed 75 cents on each \$100 valuation of taxable
2 property in the district.

3 (b) In setting the tax rate, the board shall consider the
4 income of the district from sources other than taxation. (Acts 65th
5 Leg., R.S., Ch. 140, Secs. 3(b) (part), 12(a) (part), (b) (part).)

6 Source Law

7 [Sec. 3]

8 (b) . . . [hospital district shall be created
9 with authority to levy annual taxes] at a rate not to
10 exceed 75 cents on each \$100 of valuation on all
11 taxable property located within the hospital district,
12 subject to hospital district taxation,

13 Sec. 12. (a) [The board of directors shall
14 annually levy a tax] not to exceed the amount permitted
15 by this Act

16 (b) In setting the tax rate the board shall take
17 into consideration the income of the district from
18 sources other than taxation. . . .

19 Revisor's Note

20 Section 12(b), Chapter 140, Acts of the 65th
21 Legislature, Regular Session, 1977, requires the board
22 to levy the tax and to certify the tax rate to the tax
23 assessor-collector. The revised law omits that
24 provision because Section 26.05(a), Tax Code, requires
25 the governing body of a taxing unit to adopt a tax rate
26 for the current tax year and to notify the tax assessor
27 of that rate. The omitted law reads:

28 (b) . . . On determination of the
29 amount of tax required to be levied, the
30 board shall make the levy and certify it to
31 the tax assessor-collector.

32 Revised Law

33 Sec. 1095.253. ASSESSMENT AND COLLECTION BY COUNTY TAX
34 ASSESSOR-COLLECTOR. (a) This section applies unless the board
35 elects to have taxes assessed and collected under Section 1095.254.

36 (b) The tax assessor-collector of Shackelford County shall
37 assess and collect taxes imposed by the district. (Acts 65th Leg.,
38 R.S., Ch. 140, Secs. 15(a) (part), (b) (part).)

39 Source Law

40 (a) . . . unless the directors, by majority
41 vote, elect to have taxes assessed and collected by the
42 district's own tax assessor-collector under Subsection

1 (c) of this section. . . .
2 (b) Under this subsection, The tax
3 assessor-collector of the county in which the district
4 is located shall be charged and required to accomplish
5 the assessment and collection of all taxes levied by
6 and on behalf of the district. . . .

7 Revisor's Note

8 (1) Sections 15(a) and (b), Chapter 140, Acts of
9 the 65th Legislature, Regular Session, 1977, refer to
10 the assessment and collection of district taxes on
11 county tax values. The revised law omits those
12 provisions because they were repealed by Section 6(b),
13 Chapter 841, Acts of the 66th Legislature, Regular
14 Session, 1979, which repealed all "general, local, and
15 special laws" that conflicted with that act. The 1979
16 act enacted the Property Tax Code (Title 1, Tax Code),
17 a comprehensive, substantive codification of property
18 tax law. Title 1, Tax Code, provides the exclusive
19 procedures for the imposition and collection of
20 property taxes by a taxing unit, including a hospital
21 district. The omitted law reads:

22 (a) . . . All taxes of the district
23 shall be assessed and collected on county
24 tax values as provided in Subsection (b) of
25 this section

26 (b) . . . district taxes shall be
27 assessed and collected on county tax values
28 in the same manner as provided by law with
29 relation to county taxes. . . .

30 (2) Section 15(b), Chapter 140, Acts of the 65th
31 Legislature, Regular Session, 1977, refers to the tax
32 assessor-collector "of the county in which the
33 district is located." The revised law substitutes
34 "Shackelford County" for the quoted language because
35 that is the county in which the district is located.

36 (3) Section 15(b), Chapter 140, Acts of the 65th
37 Legislature, Regular Session, 1977, provides that the
38 county tax assessor-collector may charge a fee for the
39 assessment and collection of district taxes. The
40 revised law omits that provision because it was
41 repealed by Section 6(b), Chapter 841, Acts of the 66th

1 Legislature, Regular Session, 1979. See Revisor's
2 Note (1). Section 6.27(b), Tax Code, provides for the
3 compensation of a county tax assessor-collector
4 assessing and collecting taxes for another taxing
5 unit. The omitted law reads:

6 (b) . . . The assessor-collector of
7 taxes shall charge and deduct from payments
8 to the hospital district an amount as fees
9 for assessing and collecting the taxes at a
10 rate of one percent of the taxes assessed
11 and one percent of the taxes collected, but
12 in no event shall the amount paid exceed
13 \$5,000 in any one calendar year. These fees
14 shall be deposited in the officers salary
15 fund of the county and reported as fees of
16 the office of the county tax
17 assessor-collector. . . .

18 (4) Section 15(b), Chapter 140, Acts of the 65th
19 Legislature, Regular Session, 1977, provides that
20 interest and penalties on district taxes and discounts
21 are the same as for county taxes. The revised law
22 omits that provision because it was repealed by
23 Section 6(b), Chapter 841, Acts of the 66th
24 Legislature, Regular Session, 1979. See Revisor's
25 Note (1). Chapter 33, Tax Code, provides for the
26 assessment of penalties and interest on delinquent
27 taxes, and Section 31.05, Tax Code, provides for
28 discounts on the early payment of taxes. The omitted
29 law reads:

30 (b) . . . Interest and penalties on
31 taxes paid to the hospital district shall be
32 the same as in the case of county taxes.
33 Discounts shall be the same as allowed by
34 the county. . . .

35 (5) Section 15(b), Chapter 140, Acts of the 65th
36 Legislature, Regular Session, 1977, provides that tax
37 revenue shall be deposited in the district's
38 depository. The revised law omits the provision
39 because Section 31.10, Tax Code, requires the tax
40 assessor-collector of a taxing unit to deposit taxes
41 collected in the unit's depository. The omitted law
42 reads:

1 (b) . . . The residue of tax
2 collections after deductions of discounts
3 and fees for assessing and collecting shall
4 be deposited in the district's
5 depository. . . .

6 (6) Section 15(b), Chapter 140, Acts of the 65th
7 Legislature, Regular Session, 1977, provides that the
8 bond of the county tax assessor-collector is security
9 for the performance of district duties unless the
10 board determines that an additional bond is necessary.
11 The revised law omits that provision because it
12 duplicates Section 6.29(b), Tax Code, which authorizes
13 a taxing unit for which the county tax
14 assessor-collector collects a tax to require that
15 collector to post an additional bond. The omitted law
16 reads:

17 (b) . . . The bond of the county tax
18 assessor-collector shall stand as security
19 for the proper performance of his duties as
20 assessor-collector of the district; or, if
21 in the judgment of the district board of
22 directors it is necessary, additional bond
23 payable to the district may be
24 required. . . .

25 (7) Section 15(b), Chapter 140, Acts of the 65th
26 Legislature, Regular Session, 1977, states that the
27 tax assessor-collector may act in accordance with
28 state law relating to the assessment, collection, and
29 enforcement of state and county taxes. The revised law
30 omits that provision as unnecessary. The state law
31 relating to the assessment, collection, and
32 enforcement of all ad valorem taxes is Title 1, Tax
33 Code. Section 1.02, Tax Code, requires all taxing
34 units of government to administer the assessment,
35 collection, and enforcement of taxes in conformity
36 with that title. The omitted law reads:

37 (b) . . . In all matters pertaining
38 to the assessment, collection, and
39 enforcement of taxes for the district, the
40 county tax assessor-collector shall be
41 authorized to act in all respects according
42 to the laws of the State of Texas relating
43 to state and county taxes.

1 Revised Law

2 Sec. 1095.254. 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 reside in the
9 district.

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

12 (1) the term of employment; and

13 (2) compensation. (Acts 65th Leg., R.S., Ch. 140,
14 Secs. 15(a) (part), (c) (part).)

15 Source Law

16 (a) . . . [unless the directors, by majority
17 vote, elect to have taxes assessed and collected by the
18 district's own tax assessor-collector under Subsection
19 (c) of this section.] An election may be made before
20 December 1 annually and shall govern the manner in
21 which taxes are subsequently assessed and collected,
22 until changed by a similar resolution. . . .

23 (c) Under this subsection, taxes shall be
24 assessed and collected by a tax assessor-collector
25 appointed by the directors, who shall also fix the term
26 of his employment, compensation, and . . . the tax
27 assessor and collector shall be residents of the
28 district, and

29 Revisor's Note

30 (1) Section 15(c), Chapter 140, Acts of the 65th
31 Legislature, Regular Session, 1977, requires the board
32 to set a bond amount of not less than \$5,000 as
33 security for the district tax assessor-collector. The
34 revised law omits the provision because it was
35 repealed by Section 6(b), Chapter 841, Acts of the 66th
36 Legislature, Regular Session, 1979. See Revisor's
37 Note (1) to Section 1095.253. Section 6.29(a), Tax
38 Code, authorizes the governing body of a taxing unit,
39 including a hospital district, to require the unit's
40 tax assessor-collector to post bond without limiting

1 the amount. The omitted law reads:

2 (c) . . . [directors, who shall also
3 fix the] . . . requirement for bond to
4 assure the faithful performance of his
5 duties, but in no event shall the bond be
6 for less than \$5,000. . . .

7 (2) Section 15(c), Chapter 140, Acts of the 65th
8 Legislature, Regular Session, 1977, states that the
9 board shall appoint a board of equalization and
10 establishes the duties of that board and the tax
11 assessor-collector. The revised law omits the
12 reference to a board of equalization because boards of
13 equalization were abolished and their functions and
14 duties transferred to appraisal review boards by the
15 1979 enactment of the Property Tax Code, Title 1, Tax
16 Code (Section 1, Chapter 841, Acts of the 66th
17 Legislature, Regular Session, 1979). The provisions
18 relating to the duties of the tax assessor-collector
19 are omitted because the Tax Code specifies the duties
20 of a tax assessor-collector. The omitted law reads:

21 (c) . . . The directors shall
22 annually appoint five persons to serve as a
23 board of equalization and shall fix their
24 compensation. Each member of the board and
25 . . . [shall be residents of the district,
26 and] each shall have the same duties,
27 including the obligation to execute the
28 oath of office, as required by county
29 officials exercising those powers and
30 duties. . . .

31 (3) Section 15(c), Chapter 140, Acts of the 65th
32 Legislature, Regular Session, 1977, refers to the
33 applicability of Title 122 of the Revised Statutes
34 (Taxation). Before its repeal and recodification,
35 Title 122 was composed of V.A.C.S. Articles
36 7041-7359a. The relevant parts of those provisions
37 were revised in 1979 as the Property Tax Code, Title 1,
38 Tax Code (Section 1, Chapter 841, Acts of the 66th
39 Legislature, Regular Session, 1979). The revised law
40 omits the provisions because Title 1 applies to the
41 district on its own terms. The omitted law reads:

1 (c) . . . Except as in this law
2 provided to the contrary, all the
3 provisions of Title 122, Revised Civil
4 Statutes of Texas, 1925, as amended, shall
5 apply to the district.

6 Revisor's Note
7 (End of Subchapter)

8 Section 15(a), Chapter 140, Acts of the 65th
9 Legislature, Regular Session, 1977, provides that the
10 district may impose taxes for the entire year in which
11 the district is established. The revised law omits
12 that provision as executed. The omitted law reads:

13 Sec. 15. (a) The directors shall
14 have the authority to levy taxes for the
15 entire year in which the district is
16 established as a result of the election
17 provided in this Act. . . .

18 Revisor's Note
19 (End of Chapter)

20 (1) Sections 2 and 19, Chapter 140, Acts of the
21 65th Legislature, Regular Session, 1977, provide for
22 the transfer of certain land, buildings, improvements,
23 equipment, funds, and taxes to the district after the
24 district is created and provide for the assumption of
25 debt by the district on creation. The revised law
26 omits the provisions as executed. The omitted law
27 reads:

28 Sec. 2. [The district] shall take
29 over and there shall be transferred to it
30 title to all land, buildings, improvements,
31 and equipment pertaining to the hospitals
32 or hospital system owned by Shackelford
33 County or any city or town within the
34 district, and The district shall
35 assume the outstanding indebtedness
36 incurred by Shackelford County or any city
37 or town within the district to provide
38 medical care for residents of the district
39 prior to the creation of the district.

40 Sec. 19. . . . When the district is
41 created and established, the county and all
42 towns and cities located wholly or partly in
43 it shall convey and transfer to the district
44 title to all land, buildings, improvements,
45 and equipment in any way pertaining to a
46 hospital or hospital system located wholly
47 within the district which may be jointly or
48 separately owned by the county or any city
49 or town within the district. Operating
50 funds and reserves for operating expenses

1 which are on hand and funds which have been
 2 budgeted to provide medical care for
 3 residents of the district by the county or
 4 any city or town in the district for the
 5 remainder of the fiscal year in which the
 6 district is established shall likewise be
 7 transferred to the district, as shall taxes
 8 previously levied for hospital purposes for
 9 the current year, and all sinking funds
 10 established for payment of indebtedness
 11 assumed by the district.

12 (2) Section 22, Chapter 140, Acts of the 65th
 13 Legislature, Regular Session, 1977, provides that
 14 public notice of enactment of the statute was provided
 15 in a manner that satisfies the requirements of the
 16 Texas Constitution. The revised law omits that
 17 section as executed. The omitted law reads:

18 Sec. 22. The legislature finds
 19 publication of the notice required in the
 20 enactment of this law under the provisions
 21 of Article IX, Section 9 of the Texas
 22 Constitution, has been made in the manner
 23 and form provided by law pertaining to the
 24 enactment of local and special laws.

25 CHAPTER 1097. SOUTH WHEELER COUNTY HOSPITAL DISTRICT

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35 [Sections 1097.007-1097.050 reserved for expansion]

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10 CHAPTER 1097. SOUTH WHEELER COUNTY HOSPITAL DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Revised Law

13 Sec. 1097.001. 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 South Wheeler County Hospital
 18 District. (New.)

19 Revisor's Note

20 The definitions of "board," "director," and
 21 "district" are added to the revised law for drafting
 22 convenience and to eliminate frequent, unnecessary
 23 repetition of the substance of the definitions.

24 Revised Law

25 Sec. 1097.002. AUTHORITY FOR CREATION. The South Wheeler
 26 County Hospital District is created under the authority of Section
 27 9, Article IX, Texas Constitution, and has the rights, powers, and
 28 duties prescribed by this chapter. (Acts 58th Leg., R.S., Ch. 261,
 29 Sec. 1 (part).)

30 Source Law

31 Sec. 1. Pursuant to authority granted by the
 32 provisions of Section 9 of Article IX of the
 33 Constitution of the State of Texas, South Wheeler
 34 County Hospital District is hereby authorized to be
 35 created and . . . possess such rights, powers and
 36 duties as are hereinafter prescribed.

1 Revised Law

2 Sec. 1097.003. ESSENTIAL PUBLIC FUNCTION. The district
3 performs an essential public function in carrying out the purposes
4 of this chapter. (Acts 58th Leg., R.S., Ch. 261, Sec. 10 (part).)

5 Source Law

6 Sec. 10. In carrying out the purposes of this
7 Act the District will be performing an essential
8 public function and

9 Revised Law

10 Sec. 1097.004. DISTRICT TERRITORY. The boundaries of the
11 district are coextensive with the boundaries of County
12 Commissioners Precincts 3 and 4 of Wheeler County, Texas, as those
13 boundaries existed on January 1, 1963. (Acts 58th Leg., R.S., Ch.
14 261, Sec. 1 (part).)

15 Source Law

16 Sec. 1. . . . [South Wheeler County Hospital
17 District] . . . as created shall have boundaries
18 coextensive with the boundaries of Commissioners
19 Precincts 3 and 4 of Wheeler County, as constituted on
20 January 1, 1963, and

21 Revised Law

22 Sec. 1097.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE
23 OBLIGATION. The support and maintenance of the district may not
24 become a charge against or obligation of this state. (Acts 58th
25 Leg., R.S., Ch. 261, Sec. 20 (part).)

26 Source Law

27 Sec. 20. The support and maintenance of the
28 South Wheeler County Hospital District shall never
29 become a charge against or obligation of the State of
30 Texas,

31 Revised Law

32 Sec. 1097.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE.
33 The legislature may not make a direct appropriation for the
34 construction, maintenance, or improvement of a district facility.
35 (Acts 58th Leg., R.S., Ch. 261, Sec. 20 (part).)

36 Source Law

37 Sec. 20. . . . nor shall any direct
38 appropriation be made by the Legislature for the
39 construction, maintenance or improvement of any of the
40 facilities of such District.

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Revisor's Note
(End of Subchapter)

Sections 3 and 4, Chapter 261, Acts of the 58th Legislature, Regular Session, 1963, provide procedures for holding an election on the creation of the district and the imposition of an ad valorem tax. Because the creation of the district and the imposition of the tax were approved at the election, the revised law omits the relevant law as executed. The omitted law reads:

Sec. 3. The District shall not be created nor shall any tax therein be authorized unless and until such creation and such tax are approved by a majority of the qualified property taxpaying electors of the District voting at an election called for such purpose. Such election may be initiated by the Commissioners Court of Wheeler County upon its own motion and shall be called by said Commissioners Court upon presentation of a petition therefor signed by at least fifty (50) qualified property taxpaying electors of the District. Such election shall be held not less than twenty (20) nor more than thirty-five (35) days from the time such election is ordered by the Commissioners Court. The order calling the election shall specify the time and places of holding same, the form of ballot and the presiding judge for each voting place. Notice of election shall be given by publishing a substantial copy of the election order in a newspaper of general circulation in said District once a week for two (2) consecutive weeks, the first publication to appear at least fourteen (14) days prior to the date established for the election. The failure of any such election shall not operate to prohibit the calling and holding of subsequent elections for the same purpose. At said election there shall be submitted to the qualified property taxpaying electors of said District the proposition of whether or not South Wheeler County Hospital District shall be created . . . a majority of the qualified property taxpaying electors of the District voting at said election in favor of the proposition shall be sufficient for its adoption. The ballots shall have printed thereon the following:

"FOR the creation of South Wheeler County Hospital District, the levy of a tax not to exceed Seventy-five Cents (75¢) on the One Hundred Dollars (\$100) valuation and the assumption by such District of all outstanding bonds and indebtedness heretofore issued and incurred by any city or town in said District for hospital purposes"; and

1 "AGAINST the creation of South Wheeler
2 County Hospital District, the levy of a tax
3 not to exceed Seventy-five Cents (75¢) on
4 the One Hundred Dollars (\$100) valuation,
5 and the assumption by such District of all
6 outstanding bonds and indebtedness
7 heretofore issued and incurred by any city
8 or town in said District for hospital
9 purposes."

10 Sec. 4. Within ten (10) days after
11 such election is held, the Commissioners
12 Court in such county shall convene and
13 canvass the returns thereof, and in the
14 event such election results favorably to
15 the proposition specified in Section 3
16 hereof, the Court shall so find and declare
17 the Hospital District established and
18 created, and

19 [Sections 1097.007-1097.050 reserved for expansion]

20 SUBCHAPTER B. DISTRICT ADMINISTRATION

21 Revised Law

22 Sec. 1097.051. BOARD ELECTION; TERM. (a) The board
23 consists of seven directors elected as follows:

24 (1) two directors elected from County Commissioners
25 Precinct 3 by the voters of that precinct;

26 (2) two directors elected from County Commissioners
27 Precinct 4 by the voters of that precinct; and

28 (3) three directors elected from the district at large
29 by the voters of the entire district.

30 (b) Directors serve staggered two-year terms unless
31 four-year terms are established under Section 285.081, Health and
32 Safety Code. (Acts 58th Leg., R.S., Ch. 261, Sec. 4 (part).)

33 Source Law

34 Sec. 4. . . . [directors of the Hospital
35 District] . . . seven (7) directors shall be elected.
36 Two (2) directors [shall be residents of Commissioners
37 Court Precinct 3] who shall be elected by the qualified
38 voters of the Precinct; two (2) directors [shall be
39 residents of Commissioners Court Precinct 4] who shall
40 be elected by the qualified voters of the Precinct;
41 three (3) directors [shall be residents of either
42 Commissioners Court Precincts 3 or 4 and] shall be
43 elected by the voters of both Precincts. After the
44 first election the directors representing each
45 Precinct shall have a one (1) year term. The other
46 three (3) directors representing both Precincts shall
47 have two (2) year terms. Thereafter, all directors
48 shall serve for a period of two (2) years and until
49 their successor has been duly elected or appointed and
50 qualified. . . .

1 Revisor's Note

2 (1) Section 4, Chapter 261, Acts of the 58th
3 Legislature, Regular Session, 1963, prescribes the
4 procedures for appointing the initial board. The
5 revised law omits the provision as executed. The
6 omitted law reads:

7 Sec. 4. . . . [the Commissioners
8 Court . . . shall] . . . appoint seven (7)
9 persons as directors of the Hospital
10 District to serve until the first Saturday
11 in April following the creation and
12 establishment of the District at which time
13

14 (2) Section 4, Chapter 261, Acts of the 58th
15 Legislature, Regular Session, 1963, refers to
16 "qualified" voters of the precinct. The revised law
17 omits "qualified" in this context because Chapter 11,
18 Election Code, governs eligibility to vote in an
19 election in this state and allows only "qualified"
20 voters who are residents of the territory covered by
21 the election to vote in an election.

22 (3) Section 4, Chapter 261, Acts of the 58th
23 Legislature, Regular Session, 1963, refers to
24 directors being elected from either County
25 Commissioners Precinct 3 or 4 by the voters of both
26 precincts. The revised law provides that the
27 directors are elected at large by the voters of the
28 entire district because County Commissioners
29 Precincts 3 and 4 of Wheeler County are the entire
30 district. See Section 1, Chapter 261, Acts of the 58th
31 Legislature, Regular Session, 1963 (revised in this
32 chapter as Section 1097.004).

33 (4) Section 4, Chapter 261, Acts of the 58th
34 Legislature, Regular Session, 1963, prescribes the
35 terms of the directors elected at the expiration of the
36 terms of the initial directors and, in doing so,
37 establishes staggered two-year terms for the

1 directors. The revised law omits the specific
2 provision relating to the terms of those directors as
3 executed but codifies the establishment of staggered
4 two-year terms.

5 (5) Section 4, Chapter 261, Acts of the 58th
6 Legislature, Regular Session, 1963, provides that
7 directors serve two-year terms. Section 285.081,
8 Health and Safety Code, applicable to this district,
9 provides a mechanism by which the governing board of a
10 hospital district, on its own motion, may order that
11 directors are to be elected in even-numbered years to
12 serve staggered four-year terms. The revised law is
13 drafted accordingly and adds a reference to Section
14 285.081, Health and Safety Code, for the convenience
15 of the reader.

16 (6) Section 4, Chapter 261, Acts of the 58th
17 Legislature, Regular Session, 1963, provides that the
18 directors serve until their successors are "duly
19 elected or appointed and qualified." The revised law
20 omits that provision because it duplicates Section 17,
21 Article XVI, Texas Constitution, which provides that
22 an officer of this state is to continue to perform the
23 officer's duties until a successor has qualified.

24 (7) Section 4, Chapter 261, Acts of the 58th
25 Legislature, Regular Session, 1963, provides that
26 directors' elections are held on the first Saturday in
27 April each year. The revised law omits that provision
28 as impliedly repealed by a 1986 amendment to Section
29 41.001, Election Code. Chapter 14, Acts of the 69th
30 Legislature, 3rd Called Session, 1986, amended Section
31 41.001, Election Code, to prescribe certain uniform
32 election dates. Section 37 of that act required a
33 political subdivision that held its general election
34 of officers on the first Saturday in April to hold that

1 election on a uniform election date in May or to choose
2 a different uniform election day on which to hold the
3 election. The omitted law reads:

4 Sec. 4. . . . A regular election of
5 directors shall be held on the first
6 Saturday in April of each year and

7 Revised Law

8 Sec. 1097.052. NOTICE OF ELECTION. At least 10 days before
9 the date of an election of directors, notice of the election shall
10 be published one time in a newspaper of general circulation in
11 Wheeler County. (Acts 58th Leg., R.S., Ch. 261, Sec. 4 (part).)

12 Source Law

13 Sec. 4. . . . notice of such election shall be
14 published in a newspaper of general circulation in the
15 county one (1) time at least ten (10) days prior to the
16 date of election. . . .

17 Revisor's Note

18 Section 4, Chapter 261, Acts of the 58th
19 Legislature, Regular Session, 1963, requires notice of
20 a directors' election to be published in "the county."
21 Throughout this chapter, the revised law substitutes
22 "Wheeler County" for the quoted language because
23 Wheeler County is the county in which the district is
24 located.

25 Revised Law

26 Sec. 1097.053. BALLOT PETITION. A person who wants to have
27 the person's name printed on the ballot as a candidate for director
28 must file with the board secretary a petition requesting that
29 action. The petition must be:

- 30 (1) signed by not fewer than 10 registered voters; and
31 (2) filed at least 25 days before the date of the
32 election. (Acts 58th Leg., R.S., Ch. 261, Sec. 4 (part).)

33 Source Law

34 Sec. 4. . . . Any person desiring his name to be
35 printed on the ballot as a candidate for director shall
36 file a petition, signed by not less than ten (10)
37 qualified voters asking that such name be printed on
38 the ballot, with the secretary of the board of
39 directors of the District. Such petition shall be
40 filed with such secretary at least twenty-five (25)

1 days prior to the date of election.

2 Revisor's Note

3 Section 4, Chapter 261, Acts of the 58th
4 Legislature, Regular Session, 1963, refers to a
5 petition signed by "qualified voters." The revised
6 law substitutes "registered voters" for the quoted
7 language because in the context of eligibility to sign
8 a petition, Section 277.0021, Election Code, provides
9 that "qualified voter" means a "registered voter."

10 Revised Law

11 Sec. 1097.054. QUALIFICATIONS FOR OFFICE. (a) A person may
12 not be elected or appointed as a director unless the person:

13 (1) is a resident of the district;

14 (2) owns property in the district subject to taxation;

15 and

16 (3) is more than 18 years of age at the time of
17 election or appointment.

18 (b) A person may not be elected to represent a particular
19 county commissioners precinct unless the person is a resident of
20 that precinct. (Acts 58th Leg., R.S., Ch. 281, Sec. 4 (part).)

21 Source Law

22 Sec. 4. [Two (2) directors] shall be residents
23 of Commissioners Court Precinct 3 [who shall be
24 elected by the qualified voters of the Precinct; two
25 (2) directors] shall be residents of Commissioners
26 Court Precinct 4 [who shall be elected by the qualified
27 voters of the Precinct; three (3) directors] shall be
28 residents of either Commissioners Court Precincts 3 or
29 4 and [shall be elected by the voters of both
30 Precincts]. . . . No person shall be appointed or
31 elected as a member of the board of directors of said
32 Hospital District unless he is a resident thereof and
33 owns property subject to taxation therein and unless
34 at the time of such election or appointment he shall be
35 more than twenty-one (21) years of age. . . .

36 Revisor's Note

37 Section 4, Chapter 261, Acts of the 58th
38 Legislature, Regular Session, 1963, provides that a
39 person must be "more than twenty-one (21) years of age"
40 at the time of the election to qualify for election or
41 appointment as a director. The revised law

1 substitutes "more than 18 years of age" for the quoted
2 language because Chapter 129, Civil Practice and
3 Remedies Code, establishes 18 years as the age of
4 majority in this state. Section 129.002, Civil
5 Practice and Remedies Code, provides that a law
6 adopted before August 27, 1973, that extends a right,
7 privilege, or obligation to an individual on the basis
8 of a minimum age of 19, 20, or 21 years, shall be
9 interpreted as prescribing a minimum age of 18 years.
10 Section 4 was enacted in 1963 and has not been amended.

11 Revised Law

12 Sec. 1097.055. BOND; RECORD OF BOND AND OATH OR AFFIRMATION
13 OF OFFICE. (a) Each director shall execute a good and sufficient
14 bond for \$1,000 that is:

15 (1) payable to the district; and

16 (2) conditioned on the faithful performance of the
17 director's duties.

18 (b) Each director's bond and constitutional oath or
19 affirmation of office shall be deposited with the district's
20 depository bank for safekeeping. (Acts 58th Leg., R.S., Ch. 261,
21 Sec. 4 (part).)

22 Source Law

23 Sec. 4. . . . Each member of the board of
24 directors shall qualify by executing the
25 Constitutional Oath of Office and shall execute a good
26 and sufficient bond for One Thousand Dollars (\$1,000)
27 payable to said District conditioned upon the faithful
28 performance of his duties, and such oaths and bonds
29 shall be deposited with the depository bank of the
30 District for safekeeping. . . .

31 Revisor's Note

32 Section 4, Chapter 261, Acts of the 58th
33 Legislature, Regular Session, 1963, requires each
34 director to take the constitutional oath of office.
35 The revised law omits that provision because Section
36 1, Article XVI, Texas Constitution, requires all
37 officers in this state to take the oath (or
38 affirmation) before assuming office. Additionally,

1 the revised law provides for the deposit of the
2 constitutional affirmation, as well as the
3 constitutional oath, because Section 1, Article XVI,
4 Texas Constitution, permits an officer in this state
5 to take either the constitutional oath or affirmation.

6 Revised Law

7 Sec. 1097.056. 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 four
11 for any reason, the remaining directors shall immediately call a
12 special election to fill the vacancies. If the remaining directors
13 do not call the election, a district court, on application of a
14 district voter or taxpayer, may order the directors to hold the
15 election. (Acts 58th Leg., R.S., Ch. 261, Sec. 4 (part).)

16 Source Law

17 Sec. 4. . . . All vacancies in the office of
18 director shall be filled for the unexpired term by
19 appointment of the remainder of the board of
20 directors. In the event the number of directors shall
21 be reduced to less than four (4) for any reason, the
22 remaining directors shall immediately call a special
23 election to fill said vacancies, and upon failure to do
24 so a district court may, upon application of any voter
25 or taxpayer of the District, issue a mandate requiring
26 that such election be ordered by the remaining
27 directors. . . .

28 Revised Law

29 Sec. 1097.057. OFFICERS. The board shall elect from among
30 its members a president, a vice president, and a secretary. (Acts
31 58th Leg., R.S., Ch. 261, Sec. 4 (part).)

32 Source Law

33 Sec. 4. . . . The board of directors shall
34 organize by electing one (1) of their number as
35 president and one (1) as vice president and one (1) as
36 secretary. . . .

37 Revised Law

38 Sec. 1097.058. VOTING REQUIREMENT. A concurrence of four
39 directors is sufficient in any matter relating to district
40 business. (Acts 58th Leg., R.S., Ch. 261, Sec. 4 (part).)

1 Source Law

2 Sec. 4. . . . [board of directors] . . . a
3 concurrence of four (4) shall be sufficient in all
4 matters pertaining to the business of the District.
5 . . .

6 Revisor's Note

7 Section 4, Chapter 261, Acts of the 58th
8 Legislature, Regular Session, 1963, provides that four
9 directors constitute a quorum. The revised law omits
10 that provision because it duplicates Section 311.013,
11 Government Code (Code Construction Act), which
12 provides that a quorum of a public body is a majority
13 of the number of members fixed by statute. The omitted
14 law reads:

15 Sec. 4. . . . Any four (4) members of
16 the board of directors shall constitute a
17 quorum and . . .

18 Revised Law

19 Sec. 1097.059. DISTRICT ADMINISTRATOR; ASSISTANT
20 ADMINISTRATOR. (a) The board shall appoint a qualified person as
21 district administrator.

22 (b) The board may appoint an assistant administrator.

23 (c) The district administrator and any assistant
24 administrator serve at the will of the board and are entitled to the
25 compensation determined by the board.

26 (d) On assuming the duties of district administrator, the
27 administrator shall execute a bond payable to the district in an
28 amount set by the board of not less than \$10,000 that:

29 (1) is conditioned on the administrator performing the
30 administrator's duties; and

31 (2) contains other conditions the board may require.
32 (Acts 58th Leg., R.S., Ch. 261, Sec. 5 (part).)

33 Source Law

34 Sec. 5. . . . The board of directors shall
35 appoint a qualified person to be known as the
36 administrator or manager of the Hospital District and
37 may in its discretion appoint an assistant to the
38 administrator or manager. Such administrator or
39 manager, and assistant administrator or assistant
40 manager, if any, shall serve at the will of the board

1 and shall receive such compensation as may be fixed by
2 the board. The administrator or manager shall, upon
3 assuming his duties, execute a bond payable to the
4 Hospital District in an amount to be set by the board
5 of directors, in no event less than Ten Thousand
6 Dollars (\$10,000), conditioned that he shall perform
7 the duties required of him and containing such other
8 conditions as the board may require. . . .

9 Revisor's Note

10 Section 5, Chapter 261, Acts of the 58th
11 Legislature, Regular Session, 1963, provides that the
12 board shall appoint a person as the "administrator or
13 manager" of the district and may appoint an "assistant
14 to the administrator or manager." Throughout this
15 chapter, the revised law omits "manager" because, in
16 context, "manager" is included in the meaning of
17 "administrator" and "administrator" is the term used
18 by the district.

19 Revised Law

20 Sec. 1097.060. 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 58th
26 Leg., R.S., Ch. 261, Sec. 5 (part).)

27 Source Law

28 Sec. 5. . . . The administrator or manager
29 shall supervise all the work and activities of the
30 District and shall have general direction of the
31 affairs of the District subject to such limitations as
32 may be prescribed by the board. . . .

33 Revised Law

34 Sec. 1097.061. EMPLOYEES. The board may employ any
35 doctors, technicians, nurses, and other employees as considered
36 necessary for the efficient operation of the district or may
37 provide that the district administrator has the authority to employ
38 those persons. (Acts 58th Leg., R.S., Ch. 261, Sec. 5 (part).)

39 Source Law

40 Sec. 5. . . . The board of directors shall have
41 the authority to employ such doctors, technicians,

1 nurses and other employees of every kind and character
2 as may be deemed necessary for the efficient operation
3 of the District or may provide that the administrator
4 or manager shall have the authority to employ such
5 persons. . . .

6 Revised Law

7 Sec. 1097.062. RETIREMENT PROGRAM. The board may contract
8 with this state or the federal government to establish or continue a
9 retirement program for the benefit of the district's employees.
10 (Acts 58th Leg., R.S., Ch. 261, Sec. 5 (part).)

11 Source Law

12 Sec. 5. . . . The board of directors is also
13 authorized to enter into such contracts or agreements
14 with the State of Texas or the Federal Government as
15 may be required to establish or continue a retirement
16 program for the benefit of the District's employees.

17 [Sections 1097.063-1097.100 reserved for expansion]

18 SUBCHAPTER C. POWERS AND DUTIES

19 Revised Law

20 Sec. 1097.101. DISTRICT RESPONSIBILITY. The district has
21 full responsibility for:

22 (1) operating all hospital facilities for providing
23 medical and hospital care of indigent persons; and

24 (2) providing medical and hospital care for the
25 district's needy inhabitants. (Acts 58th Leg., R.S., Ch. 261,
26 Secs. 2 (part), 19 (part).)

27 Source Law

28 Sec. 2. . . . Such District shall assume full
29 responsibility for providing medical and hospital care
30 for its needy inhabitants and

31 Sec. 19. . . . the said South Wheeler County
32 Hospital District shall assume full responsibility for
33 the operation of all hospital facilities for the
34 furnishing of medical and hospital care of indigent
35 persons.

36 Revisor's Note

37 Sections 2 and 19, Chapter 261, Acts of the 58th
38 Legislature, Regular Session, 1963, provide that the
39 district "shall assume" full responsibility for
40 providing medical and hospital care for the district's
41 needy inhabitants and for the operation of hospital
42 facilities for the indigent. The revised law

1 substitutes "has" for the quoted language because the
2 duty to assume the responsibility is executed.

3 Revised Law

4 Sec. 1097.102. RESTRICTION ON POLITICAL SUBDIVISION
5 TAXATION AND DEBT. A political subdivision located within the
6 district may not impose a tax or issue bonds or other obligations
7 for hospital purposes for medical treatment of indigent persons.
8 (Acts 58th Leg., R.S., Ch. 261, Sec. 19 (part).)

9 Source Law

10 Sec. 19. After creation of South Wheeler County
11 Hospital District, no other municipality or political
12 subdivision therein shall thereafter issue bonds or
13 other evidences of indebtedness or levy taxes for
14 hospital purposes for medical treatment of indigent
15 persons and

16 Revisor's Note

17 (1) Section 19, Chapter 261, Acts of the 58th
18 Legislature, Regular Session, 1963, provides that
19 "[a]fter creation of South Wheeler County Hospital
20 District," certain political subdivisions may not
21 issue bonds or levy taxes. The revised law omits the
22 quoted language as executed. In addition, throughout
23 this chapter, the revised law substitutes "impose" for
24 "levy" because the terms are synonymous and the former
25 is more commonly used.

26 (2) Section 19, Chapter 261, Acts of the 58th
27 Legislature, Regular Session, 1963, refers to a
28 "municipality or political subdivision." The revised
29 law omits the reference to "municipality" because
30 "municipality" is included in the meaning of
31 "political subdivision."

32 (3) Section 19, Chapter 261, Acts of the 58th
33 Legislature, Regular Session, 1963, provides that
34 certain political subdivisions may not issue bonds or
35 other "evidences of indebtedness." The revised law
36 substitutes "obligations" for "evidences of
37 indebtedness" because in context the terms are

1 synonymous, and "obligations" is more commonly used.

2 (4) Section 9, Chapter 261, Acts of the 58th
3 Legislature, Regular Session, 1963, prohibits a city
4 or town located in the district from selling bonds that
5 were authorized to provide hospital facilities but
6 were not sold on the date the district was created.
7 The revised law omits that provision as executed. The
8 omitted law reads:

9 Sec. 9. . . . If any city or town
10 therein has voted bonds to provide hospital
11 facilities but such bonds have not been sold
12 as of the date of the creation of the
13 District, the authority for the issuance
14 and sale of such bonds shall thereupon be
15 cancelled and they shall not be issued or
16 sold after the creation of the District.

17 Revised Law

18 Sec. 1097.103. MANAGEMENT, CONTROL, AND ADMINISTRATION.
19 The board shall manage, control, and administer the district's
20 hospitals and hospital system. (Acts 58th Leg., R.S., Ch. 261, Sec.
21 5 (part).)

22 Source Law

23 Sec. 5. The board of directors shall manage,
24 control and administer the hospitals and hospital
25 system of the District. . . .

26 Revised Law

27 Sec. 1097.104. HOSPITAL SYSTEM. The district shall provide
28 for the establishment of a hospital system by:

29 (1) purchasing, constructing, acquiring, repairing,
30 or renovating buildings and equipment;

31 (2) equipping the buildings; and

32 (3) administering the buildings and equipment for
33 hospital purposes. (Acts 58th Leg., R.S., Ch. 261, Sec. 2 (part).)

34 Source Law

35 Sec. 2. [The District] . . . shall provide for
36 the establishment of a hospital system by the
37 purchase, construction, acquisition, repair or
38 renovation of buildings and equipment and the
39 equipping of same and the administration thereof for
40 hospital purposes. . . .

1 Revised Law

2 Sec. 1097.105. RULES. The board may adopt rules for the
3 operation of the district and as required to administer this
4 chapter. (Acts 58th Leg., R.S., Ch. 261, Secs. 5 (part), 11
5 (part).)

6 Source Law

7 Sec. 5. . . . The District through its board of
8 directors shall have the power and authority . . . to
9 promulgate rules and regulations for the operation of
10 the District. . . .

11 Sec. 11. [The board of directors of such
12 District shall have the power] . . . to make such rules
13 and regulations as may be required to carry out the
14 provisions of this Act.

15 Revisor's Note

16 Sections 5 and 11, Chapter 261, Acts of the 58th
17 Legislature, Regular Session, 1963, provide that the
18 board may "promulgate rules and regulations" to govern
19 the district and "make such rules and regulations" to
20 carry out the act. The revised law substitutes "adopt"
21 for "promulgate" and "make" because the terms are
22 synonymous and the former is more commonly used. The
23 revised law also omits the reference to "regulations"
24 because under Section 311.005(5), Government Code
25 (Code Construction Act), a rule is defined to include a
26 regulation.

27 Revised Law

28 Sec. 1097.106. PURCHASING AND ACCOUNTING PROCEDURES. The
29 board may prescribe:

30 (1) the method and manner of making purchases and
31 expenditures by and for the district; and

32 (2) all accounting and control procedures. (Acts 58th
33 Leg., R.S., Ch. 261, Sec. 11 (part).)

34 Source Law

35 Sec. 11. The board of directors of such District
36 shall have the power to prescribe the method and manner
37 of making purchases and expenditures, by and for such
38 Hospital District, and also shall be authorized to
39 prescribe all accounting and control procedures and
40

1 Revised Law

2 Sec. 1097.107. EMINENT DOMAIN. (a) The district may
3 exercise the power of eminent domain to acquire a fee simple or
4 other interest in any type of property located in district
5 territory if the interest is necessary or convenient for the
6 district to exercise a power, right, or privilege conferred by this
7 chapter.

8 (b) The district must exercise the power of eminent domain
9 in the manner provided by Chapter 21, Property Code. (Acts 58th
10 Leg., R.S., Ch. 261, Sec. 14.)

11 Source Law

12 Sec. 14. South Wheeler County Hospital District
13 created hereunder shall have the right and power of
14 eminent domain for the purpose of acquiring by
15 condemnation any and all property of any kind and
16 character in fee simple, or any lesser interest
17 therein, within the boundaries of the District,
18 necessary or convenient to the powers, rights and
19 privileges conferred by this Act, in the manner
20 provided by General Law with respect to condemnation.

21 Revisor's Note

22 (1) Section 14, Chapter 261, Acts of the 58th
23 Legislature, Regular Session, 1963, provides that the
24 district has the "right and power of eminent domain for
25 the purpose of acquiring [property] by condemnation."
26 The revised law substitutes for the quoted phrase "may
27 exercise the power of eminent domain to acquire
28 [property]" because the phrases have the same meaning
29 and the latter phrase is consistent with modern usage
30 in law relating to eminent domain.

31 (2) Section 14, Chapter 261, Acts of the 58th
32 Legislature, Regular Session, 1963, provides that the
33 district must exercise the power of eminent domain in
34 the manner provided by "General Law with respect to
35 condemnation." The revised law substitutes for the
36 quoted language a reference to Chapter 21, Property
37 Code, because that is the general law governing
38 eminent domain for governmental entities.

1 Revised Law

2 Sec. 1097.108. 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 58th Leg., R.S., Ch. 261,
8 Sec. 17.)

9 Source Law

10 Sec. 17. The board of directors of the Hospital
11 District is authorized on behalf of such District to
12 accept donations, gifts and endowments to be held in
13 trust and administered by the board of directors for
14 such purposes and under such directions, limitations,
15 and provisions as may be prescribed in writing by the
16 donor, not inconsistent with proper management and
17 object of the Hospital District.

18 Revisor's Note

19 Section 17, Chapter 261, Acts of the 58th
20 Legislature, Regular Session, 1963, refers to
21 "donations" and "gifts." The revised law omits the
22 reference to "donations" because "donations" is
23 included in the meaning of "gifts."

24 Revised Law

25 Sec. 1097.109. CONTRACTS WITH GOVERNMENTAL ENTITIES FOR
26 CARE AND TREATMENT. (a) The board may contract with a county or
27 municipality located outside the district for the care and
28 treatment of a sick or injured person of that county or
29 municipality.

30 (b) The board may contract with this state or a federal
31 agency for the treatment of a sick or injured person for whom this
32 state or the federal government is responsible. (Acts 58th Leg.,
33 R.S., Ch. 261, Sec. 5 (part).)

34 Source Law

35 Sec. 5. . . . Such board shall be authorized to
36 contract with any county or incorporated municipality
37 located outside the District for the care and
38 treatment of the sick, diseased or injured persons of
39 any such county or municipality and shall have the
40 authority to contract with the State of Texas and
41 agencies of the Federal Government, for treatment of

1 sick, diseased or injured persons for whom the State of
2 Texas or the Federal Government are responsible. . . .

3 Revisor's Note

4 (1) Section 5, Chapter 261, Acts of the 58th
5 Legislature, Regular Session, 1963, refers to an
6 "incorporated" municipality. The revised law omits
7 the reference to "incorporated" because under the
8 Local Government Code all municipalities must be
9 incorporated.

10 (2) Section 5, Chapter 261, Acts of the 58th
11 Legislature, Regular Session, 1963, refers to the
12 treatment of a "sick, diseased or injured" person. The
13 revised law omits the references to "diseased" because
14 "diseased" is included in the meaning of "sick."

15 Revised Law

16 Sec. 1097.110. PAYMENT FOR TREATMENT; PROCEDURES. (a)
17 When a patient who resides in the district is admitted to a district
18 facility, the district administrator shall have an inquiry made
19 into the circumstances of:

20 (1) the patient; and

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

23 (b) If the district administrator determines that the
24 patient or those relatives cannot pay all or part of the costs of
25 the care and treatment in the hospital, the amount of the costs that
26 cannot be paid becomes a charge against the district.

27 (c) If the district administrator determines that the
28 patient or those relatives can pay for all or part of the costs of
29 the patient's care and treatment, the patient or those relatives
30 shall be ordered to pay the district a specified amount each week
31 for the patient's support. The amount ordered must be
32 proportionate to the person's financial ability and may not exceed
33 the actual per capita cost of maintenance.

34 (d) The district administrator may collect the amount from
35 the patient's estate, or from any relative who is legally liable for

1 the patient's support, in the manner provided by law for the
2 collection of expenses of the last illness of a deceased person.

3 (e) If there is a dispute as to the ability to pay, or doubt
4 in the mind of the district administrator, the board shall hold a
5 hearing and, after calling witnesses, shall:

6 (1) resolve the dispute or doubt; and

7 (2) issue any appropriate orders. (Acts 58th Leg.,
8 R.S., Ch. 261, Sec. 16.)

9 Source Law

10 Sec. 16. Whenever a patient residing within the
11 District has been admitted to the facilities thereof,
12 the administrator or manager, shall cause inquiry to
13 be made as to his circumstances and those of the
14 relatives of such patient legally liable for his
15 support. If he finds that such patient or said
16 relatives are able to pay for his care and treatment,
17 in whole or in part, an order shall be made directing
18 such patient, or said relatives, to pay to the Hospital
19 District for the support of such patient a specified
20 sum per week in proportion to their financial ability,
21 but such sum shall not exceed the actual per capita
22 cost of maintenance. The administrator or manager
23 shall have power and authority to collect such sums
24 from the estate of the patient or his relatives legally
25 liable for his support in the manner provided by law
26 for the collection of expenses in the last illness of a
27 deceased person. If the administrator or manager finds
28 that such patient or said relatives are not able to
29 pay, either in whole or in part, for his care and
30 treatment in such hospital, same shall become a charge
31 upon the Hospital District as to the amount of the
32 inability to pay. Should there be any dispute as to
33 the ability to pay or doubt in the mind of the
34 administrator or manager, the board of directors shall
35 hear and determine same, after calling witnesses, and
36 shall make such order or orders as may be proper.

37 Revised Law

38 Sec. 1097.111. AUTHORITY TO SUE AND BE SUED. The district,
39 through the board, may sue and be sued. (Acts 58th Leg., R.S., Ch.
40 261, Sec. 5 (part).)

41 Source Law

42 Sec. 5. . . . [The District through its board of
43 directors shall have the power and authority] to sue
44 and be sued and

45 [Sections 1097.112-1097.150 reserved for expansion]

46 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

47 Revised Law

48 Sec. 1097.151. BUDGET. (a) The district administrator

1 shall prepare an annual budget for approval by the board. The
2 budget must be for the fiscal year prescribed by Section 1097.152.

3 (b) Not later than August 31 of each year, the board shall
4 publish notice of a public hearing on the proposed budget. The
5 notice must be published in a newspaper of general circulation in
6 the district at least 10 days before the date of the hearing. (Acts
7 58th Leg., R.S., Ch. 261, Secs. 6 (part), 18.)

8 Source Law

9 Sec. 6. . . . In addition the administrator or
10 manager shall prepare an annual budget for approval by
11 the board of directors of said District. . . .

12 Sec. 18. The board of directors of said Hospital
13 District shall cause to be prepared an annual budget
14 based upon the fiscal year of the Hospital District in
15 accordance with the provisions of Section 6 hereof and
16 prior to September 1st of each year shall give notice
17 of the public hearing on the proposed budget. Such
18 notice shall be published in a newspaper of general
19 circulation in the county at least ten (10) days prior
20 to the date set for the hearing.

21 Revised Law

22 Sec. 1097.152. FISCAL YEAR. The district operates on a
23 fiscal year that begins on October 1 and ends on September 30.
24 (Acts 58th Leg., R.S., Ch. 261, Sec. 6 (part).)

25 Source Law

26 Sec. 6. The District shall be operated on a
27 fiscal year commencing on October 1st of each year and
28 ending on September 30th of the succeeding year and
29

30 Revised Law

31 Sec. 1097.153. AUDIT. (a) The district shall have an audit
32 made of the district's financial condition.

33 (b) The audit shall be open to inspection at all times at the
34 district's principal office. (Acts 58th Leg., R.S., Ch. 261, Sec. 6
35 (part).)

36 Source Law

37 Sec. 6. [The District] . . . it shall cause an
38 audit to be made of the financial condition of said
39 District which shall at all times be open to inspection
40 at the principal office of the District. . . .

41 Revised Law

42 Sec. 1097.154. 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 58th Leg., R.S., Ch. 261, Sec. 6 (part).)

7 Source Law

8 Sec. 6. . . . As soon as practical after the
9 close of each fiscal year the administrator or manager
10 shall prepare for the board a full sworn statement of
11 all moneys belonging to the District and a full account
12 of the disbursements of same.

13 Revised Law

14 Sec. 1097.155. DEPOSITORY. (a) The board shall select one
15 or more banks in the district to serve as a depository for district
16 money.

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

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

26 (d) Membership on the district's board of an officer or
27 director of a bank does not disqualify the bank from being selected
28 as a depository bank. (Acts 58th Leg., R.S., Ch. 261, Sec. 12.)

29 Source Law

30 Sec. 12. The board of directors of the District
31 shall name one (1) or more banks within the District to
32 serve as depository for the funds of the District. All
33 such funds shall, as derived and collected, be
34 immediately deposited with such depository bank or
35 banks except that sufficient funds shall be remitted
36 to the bank or banks for the payment of principal of
37 and interest on the outstanding bonds of the District
38 or other obligations assumed by it and in time that
39 such money may be received by said bank or banks of
40 payment on or prior to the date of maturity of such
41 principal and interest so to be paid. To the extent
42 that funds in the depository bank or banks are not
43 insured by the Federal Deposit Insurance Corporation,

1 they shall be secured in the manner provided by law for
2 security of county funds. Membership on the board of
3 directors of an officer or director of a bank shall not
4 disqualify such bank from being designated as
5 depository.

6 Revisor's Note

7 Section 12, Chapter 261, Acts of the 58th
8 Legislature, Regular Session, 1963, refers to money
9 "derived and collected." The revised law substitutes
10 "on receipt" for the quoted language because the terms
11 are synonymous, and the former is more commonly used.

12 [Sections 1097.156-1097.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Revised Law

15 Sec. 1097.201. GENERAL OBLIGATION BONDS. (a) The board may
16 issue and sell general obligation bonds in the name and on the faith
17 and credit of the district for any purpose related to the purchase,
18 construction, acquisition, repair, or renovation of buildings or
19 improvements, and equipping buildings or improvements for a
20 hospital and the hospital system, as determined by the board.

21 (b) The board shall issue the bonds in compliance with the
22 applicable provisions of Subtitles A and C, Title 9, Government
23 Code. (Acts 58th Leg., R.S., Ch. 261, Sec. 9 (part).)

24 Source Law

25 Sec. 9. The board of directors of the Hospital
26 District shall have the power and authority to issue
27 and sell its bonds in the name and upon the faith and
28 credit of such Hospital District for the purchase,
29 construction, acquisition, repair or renovation of
30 buildings and improvements and equipping the same for
31 hospitals and the hospital system, as determined by
32 the board, and for any or all of such purposes. . . .
33 Such bonds shall be issued under the provisions of
34 Chapter 1, Title 22 of the Revised Civil Statutes of
35 Texas, as amended, but

36 Revisor's Note

37 (1) Section 9, Chapter 261, Acts of the 58th
38 Legislature, Regular Session, 1963, provides that the
39 board has the power and authority to issue and sell
40 bonds in the name and on the faith and credit of the
41 district. Because the type of bonds described by
42 Section 9 are known as "general obligation bonds," the

1 revised law is drafted accordingly.

2 (2) Section 9, Chapter 261, Acts of the 58th
3 Legislature, Regular Session, 1963, provides that
4 bonds issued under that section "shall be issued under
5 the provisions of Chapter 1, Title 22 of the Revised
6 Civil Statutes of Texas, as amended." Chapter 1, Title
7 22, Revised Statutes, was composed of V.A.C.S.
8 Articles 701-717w. The relevant parts of those
9 provisions were revised in 1999 as Subtitles A and C of
10 Title 9, Government Code, and the revised law is
11 drafted accordingly. In addition, throughout this
12 chapter, the revised law omits references to "as
13 amended" because under Section 311.027, Government
14 Code (Code Construction Act), a reference to a statute
15 applies to all reenactments, revisions, or amendments
16 of that statute unless expressly provided otherwise.

17 Revised Law

18 Sec. 1097.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At
19 the time general obligation bonds are issued under Section
20 1097.201, the board shall impose an ad valorem tax at a rate
21 sufficient to create an interest and sinking fund and 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 tax the district imposes may not in any year exceed 75 cents on each
25 \$100 valuation of taxable property in the district. (Acts 58th
26 Leg., R.S., Ch. 261, Sec. 9 (part).)

27 Source Law

28 Sec. 9. . . . At the time of the issuance of any
29 such bonds a tax shall be levied by the board
30 sufficient to create an interest and sinking fund and
31 to pay the interest on and principal of said bonds as
32 same mature, providing such tax together with any
33 other taxes levied for said District shall not exceed
34 Seventy-five Cents (75¢) on each One Hundred Dollars
35 (\$100) valuation of taxable property in any one (1)
36 year. . . .

37 Revisor's Note

38 Section 9, Chapter 261, Acts of the 58th

1 Legislature, Regular Session, 1963, requires the
2 district to levy a tax sufficient to pay the principal
3 of and interest on bonds. The revised law specifies
4 that the tax is an "ad valorem" tax because it is clear
5 from the source law that the tax is a property tax, and
6 "ad valorem" is the term most commonly used to refer to
7 a property tax.

8 Revised Law

9 Sec. 1097.203. 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 shall call the election. The election must be
14 held in accordance with Chapter 1251, Government Code.

15 (c) The bond election order must specify:

- 16 (1) the date of the election;
- 17 (2) the location of the polling places;
- 18 (3) the presiding election officers;
- 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. (Acts 58th
22 Leg., R.S., Ch. 261, Sec. 9 (part).)

23 Source Law

24 Sec. 9. . . . No bonds shall be issued by such
25 Hospital District. . . until authorized by a majority
26 of the qualified property taxpaying electors of the
27 District voting at an election called for such
28 purpose. Such election shall be called by the board of
29 directors and held in accordance with the provisions
30 of Chapter 1, Title 22 of the Revised Civil Statutes of
31 Texas, as amended, and except as therein otherwise
32 provided, shall be conducted in accordance with the
33 General Laws of Texas pertaining to elections. . . .
34 The election order shall specify the date of the
35 election, the amount of bonds to be authorized, the
36 maximum maturity thereof, the maximum rate of interest
37 they are to bear, the place or places where the
38 election shall be held and the presiding officers
39 thereof. . . .

40 Revisor's Note

41 (1) Section 9, Chapter 261, Acts of the 58th
42 Legislature, Regular Session, 1963, refers to a

1 majority vote of the "qualified . . . electors of the
2 District." The revised law omits "qualified" in this
3 context because Chapter 11, Election Code, governs
4 eligibility to vote in an election in this state and
5 allows only "qualified" voters who are residents of
6 the territory covered by the election to vote in an
7 election. The revised law substitutes "voter" for
8 "elector" because the former is the term used in the
9 Election Code.

10 (2) Section 9, Chapter 261, Acts of the 58th
11 Legislature, Regular Session, 1963, refers to
12 "property taxpaying" electors. The revised law omits
13 the quoted language because in Hill v. Stone, 421 U.S.
14 289, 95 S. Ct. 1637 (1975), the United States Supreme
15 Court determined that property ownership as a
16 qualification for voting is an unconstitutional denial
17 of equal protection.

18 (3) Section 9, Chapter 261, Acts of the 58th
19 Legislature, Regular Session, 1963, provides that an
20 election must be "held in accordance with the
21 provisions of Chapter 1, Title 22 of the Revised Civil
22 Statutes of Texas, as amended, and except as therein
23 otherwise provided, shall be conducted in accordance
24 with the General Laws of Texas pertaining to
25 elections." The election provisions of Chapter 1,
26 Title 22, Revised Statutes, are codified as Chapter
27 1251, Government Code, and the revised law is drafted
28 accordingly. The revised law omits the reference to
29 "except as therein otherwise provided" because an
30 exception to the application of the Election Code in
31 Chapter 1251, Government Code (the revision of the
32 election provisions of Chapter 1, Title 22, Revised
33 Statutes), would apply by its own terms. The revised
34 law omits the reference to the "General Laws of Texas

1 pertaining to elections" because Section 1.002,
2 Election Code, provides that the Election Code applies
3 to all elections held in this state.

4 (4) Section 9, Chapter 261, Acts of the 58th
5 Legislature, Regular Session, 1963, requires the
6 district to make provisions for defraying the costs of
7 elections. The revised law omits that provision
8 because it duplicates Section 1.014, Election Code,
9 applicable to the district under Section 1.002 of that
10 code. The omitted law reads:

11 Sec. 9. . . . The District shall make
12 provisions for defraying the costs of all
13 elections called and held under the
14 provisions of this Act. . . .

15 Revised Law

16 Sec. 1097.204. 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 attest the bonds. (Acts 58th
20 Leg., R.S., Ch. 261, Sec. 9 (part).)

21 Source Law

22 Sec. 9. . . . [Such bonds] . . . shall be
23 executed in the name of the Hospital District and in
24 its behalf by the president of the board and attested
25 by the secretary and

26 Revised Law

27 Sec. 1097.205. REFUNDING BONDS. (a) The board may, without
28 an election, issue refunding bonds to refund any bond or other
29 refundable indebtedness issued or assumed by the district.

30 (b) A refunding bond may be:

31 (1) sold, with the proceeds of the refunding bond
32 applied to the payment of the outstanding bonds or other refundable
33 indebtedness; or

34 (2) exchanged wholly or partly for not less than a
35 similar principal amount of the outstanding bonds or other
36 refundable indebtedness. (Acts 58th Leg., R.S., Ch. 261, Sec. 9
37 (part).)

1 as Chapter 1207, Government Code. The revised law
2 omits the provision because Chapter 1207, Government
3 Code, applies to the district by its own terms under
4 Section 1207.001, Government Code. The omitted law
5 reads:

6 Sec. 9. . . . [Such refunding bonds
7 may be sold] . . . and provided further that
8 if such refunding bonds are to be sold and
9 the proceeds thereof applied to the payment
10 of any such outstanding bonds or other
11 refundable indebtedness same shall be
12 issued and payments made in the manner
13 specified by Article 717k, Revised Civil
14 Statutes of Texas, as amended. . . .

15 Revised Law

16 Sec. 1097.206. BONDS EXEMPT FROM TAXATION. The following
17 are exempt from taxation by this state or a political subdivision of
18 this state:

- 19 (1) bonds issued by the district;
20 (2) the transfer and issuance of the bonds; and
21 (3) profits made in the sale of the bonds. (Acts 58th
22 Leg., R.S., Ch. 261, Sec. 10 (part).)

23 Source Law

24 Sec. 10. . . . any bonds issued by it and their
25 transfer and the issuance therefrom, including any
26 profits made in the sale thereof, shall at all times be
27 free from taxation by the State or any municipality or
28 political subdivision thereof.

29 Revisor's Note
30 (End of Subchapter)

31 (1) Section 9, Chapter 261, Acts of the 58th
32 Legislature, Regular Session, 1963, provides that
33 district bonds are subject to the law governing
34 counties that relates to bond approval by the attorney
35 general and registration of the bonds by the
36 comptroller. Section 9 also provides that after
37 approval and registration the bonds are
38 "incontestable." The revised law omits those
39 provisions as superseded by Chapter 1202, Government
40 Code (enacted as Article 3, Chapter 53, Acts of the
41 70th Legislature, 2nd Called Session, 1987). Section

1 1202.003(a), Government Code, requires that bonds be
2 submitted to the attorney general. Section
3 1202.003(b), Government Code, provides for approval of
4 the bonds by the attorney general and requires the
5 attorney general to submit the approved bonds to the
6 comptroller for registration. Section 1202.005,
7 Government Code, requires registration of the bonds by
8 the comptroller. Section 1202.006, Government Code,
9 provides that after approval and registration the
10 bonds are incontestable and binding obligations.
11 Chapter 1202, Government Code, applies to district
12 bonds by application of Section 1202.001, Government
13 Code. The omitted law reads:

14 Sec. 9. [Such bonds] . . . shall be
15 subject to the same requirements in the
16 matter of the approval by the Attorney
17 General of Texas and registration by the
18 Comptroller of Public Accounts of the State
19 of Texas as are by law provided for approval
20 and registration of bonds issued by
21 counties. After approval of any such bonds
22 by the Attorney General and registration by
23 the Comptroller, said bonds shall be
24 incontestable. . . .

25 (2) Section 13, Chapter 261, Acts of the 58th
26 Legislature, Regular Session, 1963, provides that
27 district bonds are authorized investments for certain
28 entities. The revised law omits that provision as
29 unnecessary. As to several of the entities listed,
30 Section 13 has been superseded and impliedly repealed.
31 Investments in securities by banks are regulated by
32 Section 34.101, Finance Code (enacted in 1995 as
33 Section 5.101, Texas Banking Act (Article 342-5.101,
34 Vernon's Texas Civil Statutes)). Investments in
35 securities by savings banks are regulated by Section
36 93.001(c)(10), Finance Code (enacted in 1993 as
37 Section 7.15(10), Texas Savings Bank Act (Article
38 489e, Vernon's Texas Civil Statutes)). Investments in
39 securities by trust companies are regulated by Section

1 184.101, Finance Code (enacted in 1997 as Section
2 5.101, Texas Trust Company Act (Article 342a-5.101,
3 Vernon's Texas Civil Statutes)). Investments in
4 securities by savings and loan associations are
5 regulated by Sections 63.002 and 64.001, Finance Code.
6 As to the remaining entities listed, Section 13 is
7 superseded by Section 1201.041, Government Code
8 (enacted as Section 9, Bond Procedures Act of 1981
9 (Article 717k-6, Vernon's Texas Civil Statutes)).
10 Section 1201.041, Government Code, applies to district
11 bonds by application of Section 1201.002, Government
12 Code. The revised law omits the reference to public
13 funds of this state because it has been superseded by
14 Section 404.024, Government Code (enacted in 1985 as
15 Section 2.014, Treasury Act (Article 4393-1, Vernon's
16 Texas Civil Statutes)), which governs the investment
17 of state funds. Section 404.024(b)(10), Government
18 Code, authorizes the investment of state funds in
19 obligations of political subdivisions, including
20 hospital districts. The omitted law reads:

21 Sec. 13. All bonds of the District
22 shall be and are hereby declared to be legal
23 and authorized investments of banks,
24 savings banks, trust companies, building
25 and loan associations, savings and loan
26 associations, insurance companies,
27 fiduciaries, trustees, and sinking funds of
28 cities, towns, villages, counties, school
29 districts, or other political subdivisions
30 of the State of Texas, and for all public
31 funds of the State of Texas or its agencies,
32 including the State Permanent School
33 Fund. . . .

34 (3) Section 13, Chapter 261, Acts of the 58th
35 Legislature, Regular Session, 1963, effectively
36 provides that district bonds may secure deposits of
37 public funds of this state or political subdivisions
38 of this state. The revised law omits that provision as
39 impliedly repealed by Section 404.0221, Government
40 Code (enacted in 1995), which lists eligible

1 collateral for deposits of state funds by the
2 comptroller, and by Chapter 2257, Government Code
3 (enacted in 1989 as Article 2529d, Vernon's Texas Civil
4 Statutes), which governs eligible collateral for
5 deposits of funds of other public agencies, including
6 political subdivisions. The omitted law reads:

7 Sec. 13. . . . Such bonds shall be
8 eligible to secure deposit of public funds
9 of the State of Texas and public funds of
10 cities, towns, villages, counties, school
11 districts or other political subdivisions
12 or corporations of the State of Texas; and
13 such bonds shall be lawful and sufficient
14 security for said deposits to the extent of
15 their value when accompanied by all
16 unmatured coupons appurtenant thereto.

17 [Sections 1097.207-1097.250 reserved for expansion]

18 SUBCHAPTER F. TAXES

19 Revised Law

20 Sec. 1097.251. IMPOSITION OF AD VALOREM TAX. (a) The
21 district may impose a tax on all property in the district subject to
22 district taxation.

23 (b) The tax may be used to meet the requirements of:

- 24 (1) district bonds;
25 (2) indebtedness assumed by the district; and
26 (3) district maintenance and operating expenses.

27 (Acts 58th Leg., R.S., Ch. 261, Sec. 3 (part).)

28 Source Law

29 Sec. 3. . . . [South Wheeler County Hospital
30 District shall be created] with authority to levy
31 annual taxes . . . [on] . . . all taxable property
32 within such District for the purpose of meeting the
33 requirements of the District's bonds, the indebtedness
34 assumed by it and its maintenance and operating
35 expenses, and

36 Revised Law

37 Sec. 1097.252. TAX RATE. The district may impose the tax at
38 a rate not to exceed 75 cents on each \$100 valuation of taxable
39 property in the district. (Acts 58th Leg., R.S., Ch. 261, Sec. 3
40 (part).)

41 Source Law

42 Sec. 3. . . . [South Wheeler County Hospital

1 District shall be created with authority to levy
2 annual taxes] at a rate not to exceed Seventy-five
3 Cents (75¢) on the One Hundred Dollars (\$100)
4 valuation of [all taxable property within such
5 District]

6 Revised Law

7 Sec. 1097.253. TAX ASSESSOR-COLLECTOR. The tax
8 assessor-collector of Wheeler County shall assess and collect taxes
9 imposed by the district. (Acts 58th Leg., R.S., Ch. 261, Sec. 15
10 (part).)

11 Source Law

12 Sec. 15. . . . The Tax Assessor and/or
13 Collector of Wheeler County shall be charged and
14 required to accomplish the assessment and collection
15 of all taxes levied by and on behalf of the District
16 and

17 Revisor's Note

18 (1) Section 15, Chapter 261, Acts of the 58th
19 Legislature, Regular Session, 1963, requires district
20 taxes to be assessed and collected in the same manner
21 as county taxes. The revised law omits that provision
22 because it was repealed by Section 6(b), Chapter 841,
23 Acts of the 66th Legislature, Regular Session, 1979,
24 which repealed all "general, local, and special laws"
25 that conflicted with that act. The 1979 act enacted
26 the Property Tax Code (Title 1, Tax Code), a
27 comprehensive, substantive codification of property
28 tax law. Title 1, Tax Code, provides the exclusive
29 procedures for the imposition and collection of
30 property taxes. The omitted law reads:

31 Sec. 15. District taxes shall be
32 assessed and collected in the same manner as
33 provided by law with relation to county
34 taxes. . . .

35 (2) Section 15, Chapter 261, Acts of the 58th
36 Legislature, Regular Session, 1963, provides that tax
37 revenue shall be deposited in the district's
38 depository. The revised law omits the provision
39 because Section 31.10, Tax Code, requires the tax
40 assessor-collector of a taxing unit to deposit taxes

1 collected in the unit's depository. The omitted law
2 reads:

3 Sec. 15. . . . [The Tax Assessor
4 and/or Collector of Wheeler County shall be
5 charged and required] . . . to promptly pay
6 over the same to the District
7 depository. . . .

8 (3) Section 15, Chapter 261, Acts of the 58th
9 Legislature, Regular Session, 1963, provides for
10 compensating the county tax assessor-collector for the
11 assessment and collection of district taxes. The
12 revised law omits that provision because it was
13 repealed by Section 6(b), Chapter 841, Acts of the 66th
14 Legislature, Regular Session, 1979. See Revisor's
15 Note (1). Section 6.27(b), Tax Code, provides for the
16 compensation of a county tax assessor-collector
17 assessing and collecting taxes for another taxing
18 unit. The omitted law reads:

19 Sec. 15. . . . For his services the
20 County Tax Assessor-Collector shall be
21 allowed such compensation as may be
22 provided for by contract with the District
23 but not to exceed the amount allowed for
24 assessment and collection of county taxes.
25 . . .

26 (4) Section 15, Chapter 261, Acts of the 58th
27 Legislature, Regular Session, 1963, provides that the
28 bond of the county tax assessor-collector is security
29 for the performance of district duties unless the
30 board determines that an additional bond is necessary.
31 The revised law omits that provision because it
32 duplicates Section 6.29(b), Tax Code, which authorizes
33 a taxing unit for which the county tax
34 assessor-collector collects a tax to require that
35 collector to post an additional bond. The omitted law
36 reads:

37 Sec. 15. . . . The bond of the County
38 Tax Assessor-Collector shall stand as
39 security for the proper performance of his
40 duties as Assessor-Collector of the
41 District, or, if in the judgment of the
42 District board of directors, it is

1 necessary that additional bond payable to
2 the District may be required. . . .

3 (5) Section 15, Chapter 261, Acts of the 58th
4 Legislature, Regular Session, 1963, provides that the
5 county tax assessor-collector may act in accordance
6 with state law relating to the assessment, collection,
7 and enforcement of state and county taxes. The revised
8 law omits that provision as unnecessary. The state law
9 relating to the assessment, collection, and
10 enforcement of all ad valorem taxes is Title 1, Tax
11 Code. Section 1.02, Tax Code, requires all taxing
12 units of government to administer the assessment,
13 collection, and enforcement of taxes in conformity
14 with that title. The omitted law reads:

15 Sec. 15. . . . In all matters
16 pertaining to the assessment, collection
17 and enforcement of taxes for the District,
18 the County Tax Assessor-Collector shall be
19 authorized to act in all respects according
20 to the laws of the State of Texas relating
21 to State and county taxes.

22 Revisor's Note
23 (End of Chapter)

24 (1) Sections 2, 7, and 8, Chapter 261, Acts of
25 the 58th Legislature, Regular Session, 1963, provide
26 for the transfer of certain land, buildings,
27 improvements, equipment, funds, and taxes to the
28 district after the district is created and provide for
29 the assumption of debt by the district on creation.
30 The revised law omits the provisions as executed. The
31 omitted law reads:

32 Sec. 2. The District herein
33 authorized to be created shall take over and
34 there shall be transferred to it the title
35 to all lands, buildings, improvements and
36 equipment in anywise pertaining to
37 hospitals owned by any city or town thereof
38 and thereafter it . . . shall assume the
39 outstanding indebtedness which shall have
40 been incurred by any city or town therein
41 for hospital purposes prior to the creation
42 of the District.

43 Sec. 7. All lands, buildings and
44 equipment that at the time of the creation
45 of the District are owned by any city or

1 town therein and which were acquired by them
2 for the purpose of providing hospital
3 service or care for patients of such city
4 shall become the property of South Wheeler
5 County Hospital District and the governing
6 body of any such city or town shall provide
7 by order that all property so owned shall be
8 conveyed to the South Wheeler County
9 Hospital District in consideration of the
10 Hospital District assuming all debts and
11 obligations arising from the acquisition,
12 construction and operation of such city or
13 town hospital facilities. The Hospital
14 District through its board of directors
15 shall by resolution, accept said properties
16 and shall assume all the liabilities, and
17 obligations, including bonds and warrants
18 incurred by such city or town for such
19 hospital purposes.

20 Sec. 8. Any funds remaining in the
21 hands of any city or town therein, as the
22 proceeds of bonds assumed by the District,
23 as herein provided, shall forthwith be
24 transferred to and become the funds of the
25 Hospital District and title thereto shall
26 vest in such District. There shall also
27 vest in said District and become the funds
28 thereof the unspent portion of any other
29 funds theretofore set up or appropriated by
30 budget or otherwise by any city or town
31 thereof for the support and maintenance of
32 hospital facilities for the year within
33 which the Hospital District is created,
34 thereby providing such Hospital District
35 with funds with which to maintain and
36 operate such facilities for the remainder
37 of such year. Any uncollected or delinquent
38 taxes levied for hospital purposes by any
39 city or town thereof, as collected, shall be
40 paid to the District and applied by it to
41 the purposes for which such taxes
42 originally were levied. Any and all
43 obligations under contracts legally
44 incurred by any city or town therein for the
45 building or the support and maintenance of
46 hospital facilities prior to the creation
47 of said District but outstanding at the time
48 of its creation shall be assumed and
49 discharged by such District without
50 prejudice to the rights of third parties.
51 It is provided that the management and
52 control of the property and affairs of any
53 hospital system or systems owned and
54 operated by any city or town thereof shall
55 continue in the existing board of managers
56 until appointment and organization of the
57 board of directors of the Hospital
58 District, at which time the board of
59 managers of the present hospital or
60 hospital system shall turn over all
61 records, property and affairs of said
62 hospital system to the board of directors of
63 the District and shall cease to exist as a
64 board of managers of the existing hospital
65 system.

66 The governing body of any city therein
67 owning the hospital or hospital system, as
68 the case may be, as soon as the Hospital
69 District is created and authorized at the

1 election hereinabove provided, and there
2 have been appointed and qualified the board
3 of hospital directors above provided for,
4 shall execute and deliver to the Hospital
5 District, to wit: to its board of directors
6 an instrument in writing conveying to said
7 Hospital District the hospital properties
8 including management, buildings and
9 equipment, and shall transfer to said
10 Hospital District the funds hereinabove
11 provided to be vested in the Hospital
12 District. Such funds, in the hands of the
13 Hospital District and its board of
14 directors shall be used for all or any of
15 the same purposes and for no other purposes
16 than, the purposes for which the county or
17 city transferring such funds could lawfully
18 have used the same had they remained the
19 property and funds of such county or city.

20 (2) Section 21, Chapter 261, Acts of the 58th
21 Legislature, Regular Session, 1963, provides that the
22 act is severable. The revised law omits that provision
23 because it duplicates Section 311.032, Government Code
24 (Code Construction Act), which provides that a
25 provision of a statute is severable from each other
26 provision of the statute that can be given effect. The
27 omitted law reads:

28 Sec. 21. If any of the provisions of
29 this Act or the application thereof to any
30 person or circumstance is held invalid,
31 such invalidity shall not affect other
32 provisions or applications of the Act which
33 can be given effect without the invalid
34 provision or application, and to this end
35 the provisions of this Act are declared to
36 be severable.

37 (3) Section 22, Chapter 261, Acts of the 58th
38 Legislature, Regular Session, 1963, provides that
39 public notice of enactment of the statute was provided
40 in a manner that satisfies the requirements of the
41 Texas Constitution. The revised law omits that
42 section as executed. The omitted law reads:

43 Sec. 22. Proof of publication of the
44 notice required in the enactment hereof
45 under the provisions of Section 9 of Article
46 IX of the Texas Constitution has been made
47 in the manner and form provided by law
48 pertaining to the enactment of local and
49 special laws and such notice is hereby found
50 and declared proper and sufficient to
51 satisfy such requirement.

52 TITLE 4. DEVELOPMENT AND IMPROVEMENT

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20 CHAPTER 3854. CHAMBERS COUNTY IMPROVEMENT DISTRICT NO. 1

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Revised Law

23 Sec. 3854.001. DEFINITIONS. In this chapter:

24 (1) "Board" means the board of directors of the

25 district.

26 (2) "Director" means a board member.

27 (3) "District" means the Chambers County Improvement

28 District No. 1.

29 (4) "Extraterritorial jurisdiction" has the meaning

30 assigned by Section 42.021, Local Government Code. (Acts 73rd

31 Leg., R.S., Ch. 566, Sec. 2; New.)

32 Source Law

33 Sec. 2. In this Act:

34 (1) "Board" means the board of directors

35 of the Chambers County Improvement District No. 1.

36 (2) "District" means the Chambers County

1 Improvement District No. 1.
2 (3) "Extraterritorial jurisdiction" has
3 the meaning assigned by Section 42.021, Local
4 Government Code.

5 Revisor's Note

6 The definition of "director" is added to the
7 revised law for drafting convenience and to eliminate
8 frequent, unnecessary repetition of the substance of
9 the definition.

10 Revised Law

11 Sec. 3854.002. NATURE OF DISTRICT. A special district
12 known as the "Chambers County Improvement District No. 1" is a
13 political subdivision of this state. (Acts 73rd Leg., R.S., Ch.
14 566, Sec. 1(a).)

15 Source Law

16 Sec. 1. (a) There is created a special district
17 to be known as the Chambers County Improvement
18 District No. 1. The district is a governmental agency,
19 a body politic and corporate, and a political
20 subdivision of the state.

21 Revisor's Note

22 (1) Section 1(a), Chapter 566, Acts of the 73rd
23 Legislature, Regular Session, 1993, provides that the
24 district "is created." The revised law omits the
25 quoted language as executed because the district has
26 been created.

27 (2) Section 1(a), Chapter 566, Acts of the 73rd
28 Legislature, Regular Session, 1993, provides that the
29 district is "a governmental agency, a body politic and
30 corporate, and a political subdivision of the state."
31 The revised law omits the references to "governmental
32 agency" and "body politic and corporate" because they
33 duplicate a portion of Section 59(b), Article XVI,
34 Texas Constitution, which provides that a conservation
35 and reclamation district is a governmental agency and
36 body politic and corporate.

37 Revised Law

38 Sec. 3854.003. PURPOSE; DECLARATION OF INTENT. (a) The

1 creation of the district is essential to accomplish the purposes of
2 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
3 Texas Constitution, and to accomplish the other purposes of this
4 chapter. The legislature intends that by creating the district the
5 legislature has established a program to accomplish the public
6 purposes set out in Section 52-a, Article III, Texas Constitution.

7 (b) The creation of the district is necessary to:

8 (1) diversify the economy of the state;

9 (2) promote, develop, expand, encourage, and maintain
10 employment, commerce, economic development, and the public
11 welfare;

12 (3) promote the control, treatment, storage, and
13 distribution of water;

14 (4) protect, preserve, and restore the sanitary
15 conditions of water;

16 (5) promote the transportation of agricultural,
17 industrial, and commercial products;

18 (6) promote the health, safety, and general welfare
19 of:

20 (A) property owners, residents, employers, and
21 employees in the district; and

22 (B) the public;

23 (7) promote the improvement of rivers, bays, creeks,
24 streams, and canals to permit or to aid navigation and commerce; and

25 (8) promote the construction, maintenance, and
26 operation of streets, roads, highways, turnpikes, and railroads in
27 the greater Cedar Crossing area of Chambers County. (Acts 73rd

28 Leg., R.S., Ch. 566, Secs. 1(c), (d), (g).)

29 Source Law

30 (c) The creation of the district is essential to
31 accomplish the purposes of Article III, Section 52,
32 Article XVI, Section 59, and Article III, Section
33 52-a, of the Texas Constitution and to accomplish the
34 other purposes of this Act.

35 (d) The legislature finds, determines, and
36 declares that the creation of the district is
37 necessary to:

38 (1) diversify the economy of the state;

39 (2) promote, develop, expand, encourage,

1 and maintain employment, commerce, economic
2 development, and the public welfare;

3 (3) promote the control, treatment,
4 storage, and distribution of water;

5 (4) protect, preserve, and restore the
6 sanitary conditions of water;

7 (5) promote the transportation of
8 agricultural, industrial, and commercial products;

9 (6) promote the health, safety, and
10 general welfare of:

11 (A) property owners, residents,
12 employers, and employees in the district; and

13 (B) the general public;

14 (7) promote the improvement of rivers,
15 bays, creeks, streams, and canals to permit or to aid
16 navigation and commerce; and

17 (8) promote the construction,
18 maintenance, and operation of streets, roads,
19 highways, turnpikes, and railroads in the greater
20 Cedar Crossing area of Chambers County.

21 (g) The legislature finds, determines, and
22 intends that by creating the district it has
23 established a program to accomplish the public
24 purposes set out in Article III, Section 52-a, of the
25 Texas Constitution.

26 Revised Law

27 Sec. 3854.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)

28 The district is created to serve a public use and benefit.

29 (b) All land and other property included in the district
30 will benefit from the improvements and services to be provided by
31 the district under powers conferred by Sections 52 and 52-a,
32 Article III, and Section 59, Article XVI, Texas Constitution, and
33 other powers granted under this chapter.

34 (c) The district will provide needed funding in the greater
35 Cedar Crossing area to preserve, maintain, and enhance the economic
36 health and vitality of the area as a community and a business and
37 industrial center.

38 (d) The district will not act as the agent or
39 instrumentality of any private interest even though the district
40 will benefit many private interests, as well as the public. (Acts
41 73rd Leg., R.S., Ch. 566, Secs. 1(e), (f), (h).)

42 Source Law

43 (e) The district will provide funding in the
44 greater Cedar Crossing area needed to preserve,
45 maintain, and enhance the economic health and vitality
46 of the area as a community and a business and
47 industrial center.

48 (f) The district will not act as the agent or
49 instrumentality of a private interest even though many
50 private interests will be benefited by the district,

1 as will the general public.

2 (h) The legislature finds that all of the land
3 and other property included within the boundaries of
4 the district will be benefited by the improvements and
5 services to be provided by the district under powers
6 conferred by Article III, Section 52, Article XVI,
7 Section 59, and Article III, Section 52-a, of the Texas
8 Constitution, and other powers granted under this Act,
9 and that the district is created to serve a public use
10 and benefit.

11 Revised Law

12 Sec. 3854.005. EFFECT OF DISTRICT CREATION ON MUNICIPAL
13 POWERS. (a) The creation of the district does not:

14 (1) affect the power of a municipality in whose
15 extraterritorial jurisdiction the district or a part of the
16 district lies to designate all or part of the district as an
17 industrial district;

18 (2) limit a power under Chapter 42, Local Government
19 Code, of a municipality described by Subdivision (1); or

20 (3) affect the power of a municipality to provide
21 municipal services to any area in the municipality or the
22 municipality's extraterritorial jurisdiction that is in the
23 district.

24 (b) A municipality described by Subsection (a)(3) has the
25 same power to extend or provide municipal services after the
26 creation of the district as the municipality had before the
27 district's creation. (Acts 73rd Leg., R.S., Ch. 566, Sec. 9
28 (part).)

29 Source Law

30 Sec. 9. . . . Creation of the district does not
31 affect the power of a municipality in whose
32 extraterritorial jurisdiction the district or part of
33 the district lies to designate all or part of the
34 district as an industrial district or to limit a power
35 of the municipality conferred by Chapter 42, Local
36 Government Code. Creation of the district does not
37 affect the power of a municipality to provide
38 municipal services to any area in the municipality or
39 its extraterritorial jurisdiction that is in the
40 district and such municipality shall have the same
41 power to extend or provide municipal services after
42 the creation of the district as it had before its
43 creation. . . .

44 Revised Law

45 Sec. 3854.006. TORT CLAIMS. (a) The district is a

1 governmental unit for the purposes of Chapter 101, Civil Practice
2 and Remedies Code.

3 (b) The operations of the district are essential
4 governmental functions for all purposes and not proprietary
5 functions. (Acts 73rd Leg., R.S., Ch. 566, Sec. 7.)

6 Source Law

7 Sec. 7. The district is a unit of government for
8 purposes of Chapter 101, Civil Practice and Remedies
9 Code. The operations of the district are essential
10 governmental functions for all purposes and not
11 proprietary functions.

12 Revised Law

13 Sec. 3854.007. LIBERAL CONSTRUCTION OF CHAPTER. This
14 chapter shall be liberally construed in conformance with the
15 legislative findings and purposes stated in this chapter. (Acts
16 73rd Leg., R.S., Ch. 566, Sec. 1(i).)

17 Source Law

18 (i) This Act shall be liberally construed in
19 conformance with the legislative findings and purposes
20 stated in this Act.

21 [Sections 3854.008-3854.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATION

23 Revised Law

24 Sec. 3854.051. DISTRICT TERRITORY. (a) The district is
25 composed of the territory described by Section 3, Chapter 566, Acts
26 of the 73rd Legislature, Regular Session, 1993, as that territory
27 may have been modified under:

28 (1) Subchapter J, Chapter 49, Water Code; or

29 (2) other law.

30 (b) The boundaries and field notes of the district form a
31 closure. A mistake made in the field notes or in copying the field
32 notes in the legislative process does not affect:

33 (1) the district's organization, existence, or
34 validity;

35 (2) the district's right to issue any type of bond or
36 to issue or enter into another type of obligation for a purpose for
37 which the district is created;

1 (3) the district's right to levy or collect an
2 assessment or tax; or

3 (4) the legality or operation of the district or the
4 district's governing body. (Acts 73rd Leg., R.S., Ch. 566, Sec. 4;
5 New.)

6 Source Law

7 Sec. 4. The legislature finds that the
8 boundaries and field notes of the district form a
9 closure. If a mistake is made in the field notes or in
10 copying the field notes in the legislative process, it
11 does not affect the organization, existence, or
12 validity of the district, the right of the district to
13 issue any type of bonds or to issue or enter into other
14 types of obligations for the purposes for which the
15 district is created, or the right of the district to
16 levy and collect assessments or taxes, or affect in any
17 manner the legality or operation of the district or its
18 governing body.

19 Revisor's Note

20 The revision of the law governing the district
21 does not revise the statutory language describing the
22 territory of the district to avoid the lengthy
23 recitation of the description and because that
24 description may not be accurate on the effective date
25 of the revision or at the time of a later reading. For
26 the reader's convenience, the revised law includes
27 references to the statutory description of the
28 district's territory and to the authority to change the
29 district's territory under Subchapter J, Chapter 49,
30 Water Code, applicable to the district under Sections
31 49.001 and 49.002 of that chapter. The revised law
32 also includes a reference to the general authority of
33 the legislature to enact other laws to change the
34 district's territory.

35 Revised Law

36 Sec. 3854.052. ANNEXATION OR EXCLUSION OF TERRITORY BY
37 DISTRICT; MUNICIPAL CONSENT. (a) The district may annex land to
38 and exclude land from the district as provided by Subchapter J,
39 Chapter 49, Water Code.

40 (b) The district may not annex land in a municipality's

1 extraterritorial jurisdiction unless the municipality consents to
2 the annexation. (Acts 73rd Leg., R.S., Ch. 566, Sec. 8.)

3 Source Law

4 Sec. 8. The district may annex land to and
5 exclude land from the district as provided by Chapter
6 54, Water Code. The district may not annex land in a
7 municipality's extraterritorial jurisdiction unless
8 the municipality consents to the annexation.

9 Revisor's Note

10 Section 8, Chapter 566, Acts of the 73rd
11 Legislature, Regular Session, 1993, provides that land
12 may be annexed to or excluded from the district as
13 provided by Chapter 54, Water Code. Sections
14 54.701-54.727, Water Code, which provided for the
15 annexation or exclusion of territory by a municipal
16 utility district, were repealed by Section 43, Chapter
17 715, Acts of the 74th Legislature, Regular Session,
18 1995. Section 2 of that act added Chapter 49, Water
19 Code, including Subchapter J of that chapter, which
20 now provides for the annexation or exclusion of
21 territory by certain districts. The reference to the
22 repealed annexation provisions in Chapter 54 may be
23 considered to be a reference to the similar provisions
24 in Chapter 49, and the revised law reflects this
25 change.

26 Revised Law

27 Sec. 3854.053. ANNEXATION OF DISTRICT TERRITORY BY
28 MUNICIPALITY. (a) Notwithstanding Chapter 43, Local Government
29 Code, a municipality in whose extraterritorial jurisdiction the
30 district is located may annex all or part of the district.
31 Annexation does not result in a total or partial dissolution of the
32 district or an assumption by the annexing municipality of any of the
33 district's obligations or indebtedness.

34 (b) A municipal annexation of all or part of the district
35 has no effect on the validity of the district, and the district
36 shall continue to exist and exercise the powers granted by this

1 chapter. (Acts 73rd Leg., R.S., Ch. 566, Sec. 9 (part).)

2 Source Law

3 Sec. 9. A municipality in whose
4 extraterritorial jurisdiction the district is located
5 may annex all or part of the district, notwithstanding
6 any provision of Chapter 43, Local Government Code.
7 Annexation does not result in total or partial
8 dissolution of the district or an assumption by the
9 annexing municipality of any of the district's
10 obligations or indebtedness. . . . A municipal
11 annexation of all or part of the district has no effect
12 on the validity of the district and the district shall
13 continue to exist and exercise the powers granted by
14 this Act.

15 [Sections 3854.054-3854.100 reserved for expansion]

16 SUBCHAPTER C. BOARD OF DIRECTORS

17 Revised Law

18 Sec. 3854.101. GOVERNING BODY; TERMS. (a) The district is
19 governed by a board of seven directors.

20 (b) Directors serve staggered four-year terms. (Acts 73rd
21 Leg., R.S., Ch. 566, Secs. 5(a), (b) (part).)

22 Source Law

23 Sec. 5. (a) The district is governed by a board
24 of seven directors.
25 (b) . . . Directors serve staggered four-year
26 terms. . . .

27 Revised Law

28 Sec. 3854.102. APPLICABLE LAW. The board is governed by
29 Subchapter D, Chapter 375, Local Government Code, to the extent
30 that the subchapter does not conflict with this chapter. (Acts 73rd
31 Leg., R.S., Ch. 566, Sec. 5(f) (part).)

32 Source Law

33 (f) The board is governed by Subchapter D,
34 Chapter 375, Local Government Code, to the extent that
35 subchapter does not conflict with this Act. . . .

36 Revised Law

37 Sec. 3854.103. DIRECTOR DISTRICTS. (a) Each position on
38 the board represents a separate area of the district known as a
39 director district.

40 (b) All land in the district must be in a director district.

41 (c) Director districts may not overlap.

42 (d) The board may establish new boundaries for a director

1 district if it is necessary to provide a reasonable balance in the
2 board representation between acreage, value, improvements, and
3 interests of the property owners in the district. (Acts 73rd Leg.,
4 R.S., Ch. 566, Sec. 5(g) (part).)

5 Source Law

6 (g) Each position on the board represents a
7 separate area of the district to be known as a director
8 district. . . . All land in the district shall be in a
9 director district. Director districts may not
10 overlap. The board from time to time may establish new
11 boundaries for one or more director districts if it is
12 necessary to provide a reasonable balance in the board
13 representation between acreage, value, improvements,
14 and interests of the property owners in the district.

15 Revisor's Note

16 (1) Section 5(g), Chapter 566, Acts of the 73rd
17 Legislature, Regular Session, 1993, provides that
18 after the effective date of that act the board shall
19 establish the boundaries of director districts. The
20 revised law omits the provision as executed. The
21 omitted law reads:

22 (g) . . . As soon as possible after
23 the effective date of this Act, the board
24 shall establish the boundaries of the
25 director districts over areas in the
26 district that in the board's judgment
27 provide a reasonable balance in the board
28 representation between acreage, value,
29 improvements, and interests of the property
30 owners in the district. . . .

31 (2) Section 5(g), Chapter 566, Acts of the 73rd
32 Legislature, Regular Session, 1993, provides that the
33 board may establish new boundaries for the director
34 districts "from time to time." The revised law omits
35 the quoted language because the authority to take an
36 action implies the authority to do so at any time.

37 Revised Law

38 Sec. 3854.104. APPOINTMENT OF DIRECTORS. The Commissioners
39 Court of Chambers County shall appoint a director to represent a
40 director district in the manner provided by Section 375.064, Local
41 Government Code, from a list of candidates recommended by the board
42 in the manner provided by that section. (Acts 73rd Leg., R.S., Ch.

1 566, Secs. 5(b) (part), (e) (part).)

2 Source Law

3 (b) Except for the initial directors, the
4 commissioners court of Chambers County shall appoint
5 directors to represent a director district in the
6 manner provided in Section 375.064, Local Government
7 Code, from a list of candidates recommended by the
8 board in the manner provided in Section 375.064, Local
9 Government Code. . . .

10 (e) Each director appointed by the
11 commissioners court of Chambers County

12 Revisor's Note

13 Section 5(b), Chapter 566, Acts of the 73rd
14 Legislature, Regular Session, 1993, provides that
15 "[e]xcept for the initial directors," each director
16 shall be appointed by the Commissioners Court of
17 Chambers County. The revised law omits the quoted
18 language as executed.

19 Revised Law

20 Sec. 3854.105. QUALIFICATIONS. (a) Each director shall
21 qualify for office as required by Subchapter D, Chapter 375, Local
22 Government Code.

23 (b) Each director shall meet the qualifications provided by
24 Section 375.063, Local Government Code, for the area in the
25 director district that the director represents.

26 (c) A person may not be appointed as a director or continue
27 to serve as a director unless the person satisfies the requirements
28 provided by Section 375.063, Local Government Code, for the area in
29 the director district that the person is appointed to represent.
30 (Acts 73rd Leg., R.S., Ch. 566, Sec. 5(e) (part).)

31 Source Law

32 (e) Each director . . . shall meet the
33 qualifications for directors provided by Section
34 375.063, Local Government Code, for the area included
35 within the boundaries of the director district which
36 such director represents and no person may be
37 appointed as a director or continue to serve as a
38 director unless the person satisfies the requirements
39 set forth in Section 375.063 for the area in the
40 director district such person is appointed to
41 represent. Each director shall qualify for office as
42 required by Subchapter D, Chapter 375, Local
43 Government Code.

1 Revised Law

2 Sec. 3854.106. VOTING; ACTIONS. (a) Directors may vote on
3 any matter authorized by Subchapter D, Chapter 375, Local
4 Government Code.

5 (b) The board may take action only if the action is approved
6 in the manner prescribed by Subchapter D, Chapter 375, Local
7 Government Code. (Acts 73rd Leg., R.S., Ch. 566, Sec. 5(f) (part).)

8 Source Law

9 (f) . . . Directors may vote on any matter
10 authorized by Subchapter D, Chapter 375, Local
11 Government Code; however, action may only be taken by
12 the board if it is approved in the manner prescribed by
13 Subchapter D, Chapter 375, Local Government Code.

14 Revised Law

15 Sec. 3854.107. VACANCY. The remaining directors shall fill
16 a vacancy in the office of director for the remainder of the
17 unexpired term. (Acts 73rd Leg., R.S., Ch. 566, Sec. 5(b) (part).)

18 Source Law

19 (b) . . . A vacancy in the office of director
20 shall be filled by the remaining directors for the
21 remainder of the unexpired term.

22 Revisor's Note
23 (End of Subchapter)

24 (1) Sections 5(c) and (d), Chapter 566, Acts of
25 the 73rd Legislature, Regular Session, 1993, refer to
26 the initial board of directors and the terms for the
27 initial board of directors. The revised law omits
28 those provisions as executed. The omitted law reads:

29 (c) On the effective date of this
30 Act, the following persons constitute the
31 initial board of directors of the district
32 and are appointed for the terms prescribed
33 by Subsection (d) of this section to
34 represent the following director district
35 positions:

Director District Position	Name of Director
1	Deborah S. Hsi
2	Kandy K. Gregory
3	Langston H. Wood
4	Joseph S. Antoline
5	Donald E. Simpson
6	Robert B. Brown, Jr.
7	Robert Douglas Gates

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44 (d) The initial directors appointed
45 for director district positions 1 through 3
46 serve until May 1, 1995, and the initial
47 directors appointed for director district

1 positions 4 through 7 serve until May 1,
2 1997.

3 (2) Section 5(h), Chapter 566, Acts of the 73rd
4 Legislature, Regular Session, 1993, provides that
5 directors are compensated in accordance with Section
6 54.114, Water Code. The revised law omits the
7 provision because Section 54.114 was repealed by
8 Section 43, Chapter 715, Acts of the 74th Legislature,
9 Regular Session, 1995. Section 2 of Chapter 715
10 enacted Section 49.060, Water Code, which governs
11 compensation of directors and applies to the district
12 by its own terms. The omitted law reads:

13 (h) Directors shall be compensated in
14 the manner provided by Section 54.114,
15 Water Code.

16 [Sections 3854.108-3854.150 reserved for expansion]

17 SUBCHAPTER D. POWERS AND DUTIES

18 Revised Law

19 Sec. 3854.151. GENERAL POWERS. The district has:

20 (1) all the rights, powers, and privileges conferred
21 by the general law of this state applicable to districts created
22 under:

23 (A) Chapter 375, Local Government Code;

24 (B) Chapter 623, Acts of the 67th Legislature,
25 Regular Session, 1981 (Article 6550c, Vernon's Texas Civil
26 Statutes);

27 (C) Chapter 441, Transportation Code; and

28 (D) Chapter 54, Water Code;

29 (2) the rights, powers, and privileges granted to
30 districts by:

31 (A) Subchapters E and M, Chapter 60, Water Code;

32 and

33 (B) Section 61.116, Water Code; and

34 (3) all the powers granted to municipal management
35 districts under Sections 375.092 and 375.111, Local Government
36 Code, to provide any services or for any project the district is

1 authorized to acquire, construct, or improve under this chapter.
2 (Acts 73rd Leg., R.S., Ch. 566, Sec. 6(a) (part).)

3 Source Law

4 Sec. 6. (a) The district has all of the rights,
5 powers, privileges, and authority conferred by the
6 general law of this state applicable to districts
7 created under Chapter 375, Local Government Code;
8 Chapter 54, Water Code; Chapter 13, Acts of the 68th
9 Legislature, 2nd Called Session, 1984 (Article
10 6674r-1, Vernon's Texas Civil Statutes); and Chapter
11 623, Acts of the 67th Legislature, Regular Session,
12 1981 (Article 6550c, Vernon's Texas Civil Statutes).
13 The district also has the rights, powers, privileges,
14 and authority granted to districts by Subchapters E
15 and M, Chapter 60, Water Code, and Section 61.116,
16 Water Code. . . . The district also has all of those
17 powers granted to municipal management districts under
18 Sections 375.092 and 375.111, Local Government Code,
19 to provide any services or for any project the district
20 is authorized to acquire, construct, or improve under
21 this Act. . . .

22 Revisor's Note

23 (1) Section 6(a), Chapter 566, Acts of the 73rd
24 Legislature, Regular Session, 1993, refers to the
25 "rights, powers, privileges, and authority" of the
26 district. The revised law omits the references to
27 "authority" because, in context, "authority" is
28 included in the meaning of "rights, powers, [and]
29 privileges."

30 (2) Section 6(a), Chapter 566, Acts of the 73rd
31 Legislature, Regular Session, 1993, refers to Article
32 6674r-1, Vernon's Texas Civil Statutes. Chapter 165,
33 Acts of the 74th Legislature, Regular Session, 1995,
34 codified Article 6674r-1 as Chapter 441,
35 Transportation Code. The revised law is drafted
36 accordingly.

37 Revised Law

38 Sec. 3854.152. ELECTIONS. The district shall hold
39 elections as provided by Subchapter L, Chapter 375, Local
40 Government Code. (Acts 73rd Leg., R.S., Ch. 566, Sec. 11 (part).)

41 Source Law

42 Sec. 11. The district shall hold elections as
43 provided by Subchapter L, Chapter 375, Local
44 Government Code. . . .

1 facility, or property, or other pipeline or facility
2 or property relating to the pipeline, that relocation,
3 adjustment, raising, lowering, rerouting, changing of
4 grade, or altering of construction must be
5 accomplished at the sole cost and expense of the
6 district, and damages that are suffered by owners of
7 the property or facilities shall be borne by the
8 district.

9 Revised Law

10 Sec. 3854.155. SECURITY SERVICES. To protect the public
11 interest, the district may contract with a private entity or a
12 municipality, county, or other political subdivision for services
13 for the security and protection of residents and property in the
14 district. (Acts 73rd Leg., R.S., Ch. 566, Sec. 15.)

15 Source Law

16 Sec. 15. To protect the public interest, the
17 district may contract with a private entity or a
18 municipality, county, or other political subdivision
19 for services for the security and protection of
20 residents and property in the district.

21 Revised Law

22 Sec. 3854.156. COMPETITIVE BIDDING. The district shall
23 contract for services, improvements, or the purchase of materials,
24 machinery, equipment, supplies, or other property of more than
25 \$25,000 as provided by Section 375.221, Local Government Code.
26 (Acts 73rd Leg., R.S., Ch. 566, Sec. 16.)

27 Source Law

28 Sec. 16. The district shall contract for
29 services, improvements, or the purchase of materials,
30 machinery, equipment, supplies, or other property in
31 excess of \$25,000 as provided by Section 375.221,
32 Local Government Code, or Subchapter I, Chapter 49,
33 Water Code, as added by H.B. No. 1266, Acts of the 73rd
34 Legislature, Regular Session, 1993.

35 Revisor's Note

36 Section 16, Chapter 566, Acts of the 73rd
37 Legislature, Regular Session, 1993, requires that
38 districts entering into certain contracts do so in
39 accordance with either Section 375.221, Local
40 Government Code, or Subchapter I, Chapter 49, Water
41 Code, as added by H.B. No. 1266, Acts of the 73rd
42 Legislature, Regular Session, 1993. The revised law
43 omits the reference to that subchapter because that

1 bill did not pass.

2 Revised Law

3 Sec. 3854.157. DISTRICT NAME CHANGE. The board by
4 resolution may change the name of the district. The name must
5 describe the district's location and principal powers. (Acts 73rd
6 Leg., R.S., Ch. 566, Sec. 1(b).)

7 Source Law

8 (b) The name of the district may be changed by
9 resolution of the board of directors of the district at
10 any time so long as the name is descriptive of the
11 location and the principal powers of the district.

12 Revisor's Note

13 Section 1(b), Chapter 566, Acts of the 73rd
14 Legislature, Regular Session, 1993, provides that the
15 board may change the name of the district "at any
16 time." The revised law omits the quoted language
17 because the authority to take an action implies the
18 authority to do so at any time.

19 Revised Law

20 Sec. 3854.158. OWNING OR OPERATING AIRPORT PROHIBITED. The
21 district may not own or operate an airport. (Acts 73rd Leg., R.S.,
22 Ch. 566, Sec. 6(d).)

23 Source Law

24 (d) The district may not own or operate an
25 airport.

26 [Sections 3854.159-3854.200 reserved for expansion]

27 SUBCHAPTER E. FINANCIAL PROVISIONS

28 Revised Law

29 Sec. 3854.201. DISBURSEMENTS OR TRANSFERS OF MONEY. The
30 board by resolution shall establish the number of director
31 signatures or the procedure required for all disbursements or
32 transfers of the district's money. (Acts 73rd Leg., R.S., Ch. 566,
33 Sec. 6(e).)

34 Source Law

35 (e) The board shall establish by resolution the
36 number of director signatures or the procedure
37 required for all disbursements or transfers of the
38 district's money.

1 Revised Law

2 Sec. 3854.202. TAX AND BOND ELECTIONS. (a) The district
3 shall hold an election in the manner provided by Subchapter L,
4 Chapter 375, Local Government Code, to obtain voter approval for
5 the district to impose a maintenance tax or issue bonds payable from
6 ad valorem taxes or assessments.

7 (b) The board may submit multiple purposes in a single
8 proposition at an election. (Acts 73rd Leg., R.S., Ch. 566, Sec. 11
9 (part).)

10 Source Law

11 Sec. 11. . . . The district shall also hold an
12 election in the manner provided by that subchapter for
13 the purpose of obtaining voter approval for the
14 district to levy a maintenance tax or to issue bonds
15 payable from ad valorem taxes or assessments. The
16 board may submit multiple purposes in a single
17 proposition at an election.

18 Revisor's Note

19 Section 11, Chapter 566, Acts of the 73rd
20 Legislature, Regular Session, 1993, refers to the
21 "levy" of a maintenance tax. Other provisions revised
22 in this chapter refer to the district's authority to
23 "levy" and "collect" taxes. Throughout this chapter,
24 the revised law substitutes "impose" for the quoted
25 language when used only with taxes because "impose" is
26 the term generally used in Title 1, Tax Code, and
27 includes the levy and collection of taxes.

28 Revised Law

29 Sec. 3854.203. MAINTENANCE AND OPERATION TAX. (a) If
30 authorized at an election held in accordance with Section 3854.202,
31 the district may impose an annual ad valorem tax on taxable property
32 in the district for:

33 (1) the maintenance, operation, and upkeep of the
34 district and the improvements constructed or acquired by the
35 district; and

36 (2) the provision of services to industrial and
37 commercial businesses and residents and property owners.

1 (b) The board shall determine the tax rate. (Acts 73rd
2 Leg., R.S., Ch. 566, Sec. 13.)

3 Source Law

4 Sec. 13. If authorized at an election held in
5 accordance with Section 11 of this Act, the district
6 may levy and collect an annual ad valorem tax on
7 taxable property in the district for maintenance,
8 operation, and upkeep of the district and the
9 improvements constructed or acquired by the district
10 and the provision of services to industrial and
11 commercial businesses and residents and property
12 owners. The board shall determine the tax rate.

13 Revised Law

14 Sec. 3854.204. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
15 The board may levy and collect an assessment under Subchapter F,
16 Chapter 375, Local Government Code, for any authorized purpose only
17 if the assessment does not conflict with this chapter.

18 (b) An assessment or reassessment by the district,
19 penalties and interest on an assessment or reassessment, an expense
20 of collection, and reasonable attorney's fees incurred by the
21 district:

22 (1) are a first and prior lien against the property
23 assessed;

24 (2) are superior to any other lien or claim other than
25 a lien or claim for county, school district, or municipal ad valorem
26 taxes; and

27 (3) are the personal liability of and a charge against
28 the owners of the property even if the owners are not named in the
29 assessment proceedings.

30 (c) The lien is effective from the date of the board's
31 resolution levying the assessment until the date the assessment is
32 paid. The board may enforce the lien in the same manner that the
33 board may enforce an ad valorem tax lien against real property.
34 (Acts 73rd Leg., R.S., Ch. 566, Secs. 10(a) (part), (c).)

35 Source Law

36 (a) . . . The board may levy and collect an
37 assessment under Subchapter F, Chapter 375, Local
38 Government Code, for any authorized purpose only if
39 the assessment does not conflict with other provisions
40 of this Act.

1 (c) Assessments or reassessments by the
2 district, penalties and interest on an assessment or
3 reassessment, expenses of collection, and reasonable
4 attorney fees incurred by the district are a first and
5 prior lien against the property assessed, are superior
6 to any other lien or claim other than a lien or claim
7 for county, school district, or municipal ad valorem
8 taxes, and are the personal liability of and charge
9 against the owners of the property even if the owners
10 are not named in the assessment proceedings. The lien
11 is effective from the date of the resolution of the
12 board levying the assessment until the assessment is
13 paid. The board may enforce the lien in the same
14 manner that the board may enforce an ad valorem tax
15 lien against real property.

16 Revised Law

17 Sec. 3854.205. FINANCING IMPROVEMENT PROJECTS OR SERVICES.

18 (a) The district may finance the cost of any authorized improvement
19 project or service in the manner provided by any law that applies to
20 the district.

21 (b) A petition under Section 375.114, Local Government
22 Code, is not required for the board to levy a tax, assessment, or
23 impact fee to finance improvement projects and services under this
24 chapter. (Acts 73rd Leg., R.S., Ch. 566, Sec. 6(b).)

25 Source Law

26 (b) The district may finance the cost of any
27 authorized improvement project or services in the
28 manner provided by any law made applicable to the
29 district. A petition under Section 375.114, Local
30 Government Code, is not required for the board to be
31 authorized to levy taxes, assessments, or impact fees
32 to finance services and improvement projects under
33 this Act.

34 Revised Law

35 Sec. 3854.206. IMPACT FEES. Except as provided by Section
36 3854.207, the district may impose an impact fee for an authorized
37 purpose as provided by Subchapter G, Chapter 375, Local Government
38 Code. (Acts 73rd Leg., R.S., Ch. 566, Sec. 12 (part).)

39 Source Law

40 Sec. 12. The district may impose an impact fee
41 for an authorized purpose as provided by Subchapter G,
42 Chapter 375, Local Government Code. . . .

43 Revised Law

44 Sec. 3854.207. CERTAIN RESIDENTIAL PROPERTY EXEMPT. The
45 district may not impose an impact fee or assessment on a
46 single-family residential property or a residential duplex,

1 triplex, fourplex, or condominium. (Acts 73rd Leg., R.S., Ch. 566,
2 Sec. 12 (part).)

3 Source Law

4 Sec. 12. . . . The district may not impose an
5 impact fee or assessment on a single-family
6 residential property or a residential duplex, triplex,
7 quadruplex, or condominium.

8 Revised Law

9 Sec. 3854.208. BONDS AND OTHER OBLIGATIONS. (a) The
10 district may issue bonds or other obligations secured by and
11 payable wholly or partly from ad valorem taxes, assessments, impact
12 fees, revenue, grants, or other money of the district, or any
13 combination of those sources of money, to pay for any authorized
14 purpose of the district.

15 (b) In exercising the district's borrowing power, the
16 district may issue a bond or other obligation in the form of a bond,
17 note, certificate of participation or other instrument evidencing a
18 proportionate interest in payments to be made by the district, or
19 other type of obligation. (Acts 73rd Leg., R.S., Ch. 566, Secs.
20 6(a) (part), 10(a) (part).)

21 Source Law

22 Sec. 6. (a) . . . Bonds or other obligations
23 issued under any of those laws may be secured by
24 revenues, assessments, ad valorem taxes, impact fees,
25 grants, or other funds of the district, or any
26 combination of those funds. . . .

27 Sec. 10. (a) The district may issue bonds or
28 other obligations payable in whole or in part from ad
29 valorem taxes, assessments, impact fees, revenues,
30 grants, or other funds of the district, or any
31 combination of those funds, to pay for any authorized
32 purpose of the district. Bonds or other obligations of
33 the district may be issued in the form of bonds, notes,
34 certificates of participation, including other
35 instruments evidencing a proportionate interest in
36 payments to be made by the district, or other
37 obligations that are issued in the exercise of the
38 district's borrowing power and

39 Revisor's Note

40 Section 10(a), Chapter 566, Acts of the 73rd
41 Legislature, Regular Session, 1993, provides
42 requirements regarding the form of district bonds.
43 The revised law omits the provision because it

1 substantively duplicates Sections 1201.022(a)(2) and
2 1201.023, Government Code. Section 1201.022(a)(2)
3 permits bearer or registered form. Section 1201.023
4 permits uncertificated book entry. Those sections
5 apply to district bonds by application of Section
6 1201.002, Government Code. The omitted law reads:

7 (a) . . . [Bonds or other obligations
8 of the district] . . . may be issued in
9 bearer or registered form or not
10 represented by an instrument but the
11 transfer of which is registered on books
12 maintained by or on behalf of the district.

13 Revised Law

14 Sec. 3854.209. APPROVAL OF BONDS. (a) No approval is
15 required for bonds issued by the district other than:

16 (1) the approval of the attorney general as provided
17 by Section 375.205, Local Government Code; and

18 (2) the approval of the Texas Commission on
19 Environmental Quality if the bonds are issued for a purpose that
20 Section 375.208, Local Government Code, requires to be approved by
21 the commission.

22 (b) Except as provided by Subsection (c), the district may
23 not issue bonds payable from an ad valorem tax imposed over the
24 entire district in an amount more than the greater of:

25 (1) \$50 million; or

26 (2) 10 percent of the assessed value of the taxable
27 property in the entire district as shown on the most recent
28 certified tax rolls of the county central appraisal district.

29 (c) If the Texas Commission on Environmental Quality
30 approves the feasibility of district bonds described by Subsection
31 (b), the limit on the amount of bonds to be issued is the amount set
32 by the commission.

33 (d) Subsection (b) does not limit the district's authority
34 to issue bonds that are not payable from ad valorem taxes imposed
35 over the entire district. (Acts 73rd Leg., R.S., Ch. 566, Secs.
36 10(b), (d).)

1 Source Law

2 (b) No approval of bonds issued by the district
3 is required other than the approval of the attorney
4 general as provided by Section 375.205, Local
5 Government Code, and the approval of the Texas Water
6 Commission if the bonds are issued for a purpose that
7 Section 375.208, Local Government Code, requires to be
8 approved by the commission.

9 (d) Bonds payable from an ad valorem tax levied
10 over the entire district may not be issued in an amount
11 in excess of the greater of (1) \$50 million, or (2) 10
12 percent of the assessed value of taxable property
13 within the entire district as shown on the most recent
14 certified tax rolls of the county central appraisal
15 district, unless the Texas Water Commission approves
16 the bonds as to feasibility, in which case, the limit
17 on the amount of bonds to be issued shall be that
18 amount set by the Texas Water Commission. This
19 provision will not limit the authority of the district
20 to issue bonds which are not payable from ad valorem
21 taxes levied over the entire district.

22 Revisor's Note

23 Sections 10(b) and (d), Chapter 566, Acts of the
24 73rd Legislature, Regular Session, 1993, refer to the
25 "Texas Water Commission." The revised law substitutes
26 "Texas Commission on Environmental Quality" for "Texas
27 Water Commission" to reflect the current name of the
28 agency with the relevant regulatory authority.

29 [Sections 3854.210-3854.250 reserved for expansion]

30 SUBCHAPTER F. DISSOLUTION

31 Revised Law

32 Sec. 3854.251. DISSOLUTION OF DISTRICT. The district may
33 be dissolved as provided by Section 375.261 or 375.262, Local
34 Government Code. If the district is dissolved, the district shall
35 remain in existence solely for the purpose of discharging its bonds
36 or other obligations according to their terms. (Acts 73rd Leg.,
37 R.S., Ch. 566, Sec. 14.)

38 Source Law

39 Sec. 14. The district may be dissolved as
40 provided in Section 375.261 or 375.262, Local
41 Government Code. If the district is dissolved, the
42 district shall remain in existence solely for the
43 limited purpose of discharging its bonds or other
44 obligations according to their terms.

1 the requirements of the Texas Constitution, other laws
2 of this state, and the rules and procedures of the
3 legislature. Chapter 566 also provides that the Texas
4 Water Commission timely filed recommendations
5 relating to the act. The revised law omits the
6 provision as executed. The omitted law reads:

7 Sec. 17. The legislature finds that:

8 (1) proper and legal notice of
9 the intention to introduce this Act,
10 setting forth the general substance of this
11 Act, has been published as provided by law,
12 and the notice and a copy of this Act have
13 been furnished to all persons, agencies,
14 officials, or entities to which they are
15 required to be furnished by the
16 constitution and laws of this state,
17 including the Governor of Texas, who has
18 submitted the notice and Act to the Texas
19 Water Commission;

20 (2) the Texas Water Commission
21 has filed its recommendations relating to
22 this Act with the governor, lieutenant
23 governor, and speaker of the house of
24 representatives within the required time;

25 (3) the general law relating to
26 consent by political subdivisions to the
27 creation of districts with conservation,
28 reclamation, and road powers and the
29 inclusion of land in those districts has
30 been complied with; and

31 (4) all requirements of the
32 constitution and laws of this state and the
33 rules and procedures of the legislature
34 with respect to the notice, introduction,
35 and passage of this Act have been fulfilled
36 and accomplished.

37 (4) Section 18, Chapter 566, Acts of the 73rd
38 Legislature, Regular Session, 1993, provides that the
39 provisions of the act are severable. The revised law
40 omits the section because it duplicates Section
41 311.032, Government Code (Code Construction Act),
42 providing for the severability of statutes. The
43 omitted law reads:

44 Sec. 18. The provisions of this Act
45 are severable, and if any provision or part
46 of this Act or the application thereof to
47 any person or circumstance is held by a
48 court of competent jurisdiction to be
49 invalid or unconstitutional for any reason,
50 the remainder of this Act and the
51 application of that provision or part of
52 this Act to other persons or circumstances
53 is not affected.

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4 CHAPTER 6604. FORT BEND COUNTY DRAINAGE DISTRICT

5 SUBCHAPTER A. GENERAL PROVISIONS

6 Revised Law

7 Sec. 6604.001. DEFINITIONS. In this chapter:

8 (1) "Commissioners court" means the Commissioners
9 Court of Fort Bend County.

10 (2) "District" means the Fort Bend County Drainage
11 District. (Acts 51st Leg., R.S., Ch. 303, Sec. 1 (part); New.)

12 Source Law

13 Sec. 1. . . . a district to be known as "Fort
14 Bend County Drainage District" (hereinafter called the
15 "District") and

16 Revisor's Note

17 The definition of "commissioners court" is added
18 to the revised law for drafting convenience and to
19 eliminate frequent, unnecessary repetition of the
20 substance of the definition.

21 Revised Law

22 Sec. 6604.002. NATURE OF DISTRICT. (a) The district is
23 created under Section 59, Article XVI, Texas Constitution, for the
24 reclamation and drainage of the district's overflowed lands and
25 other lands needing drainage.

26 (b) The creation of the district is essential to accomplish
27 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
28 51st Leg., R.S., Ch. 303, Sec. 1 (part).)

29 Source Law

30 Sec. 1. That, pursuant to authority conferred
31 by Section 59 of Article XVI of the Constitution of
32 Texas, there is hereby created within the State of
33 Texas, in addition to the districts into which the
34 State has heretofore been divided, a district to be
35 known as "Fort Bend County Drainage District"

36 Said District is hereby created for the purpose
37 of reclamation and drainage of its overflowed lands
38 and other lands needing drainage.

39 Said District shall be a governmental agency and
40 body politic and corporate, . . . the creation and
41 establishment of such District being essential to the

1 accomplishment of the purposes of Section 59 of
2 Article XVI of the Constitution of Texas.

3 Revisor's Note

4 (1) Section 1, Chapter 303, Acts of the 51st
5 Legislature, Regular Session, 1949, states that the
6 district is created "within the State of Texas, in
7 addition to the districts into which the State has
8 heretofore been divided." The revised law omits the
9 quoted language because the absence of the language
10 does not imply that the legislature could create a
11 district outside this state or that the district is not
12 in addition to other districts created in this state.

13 (2) Section 1, Chapter 303, Acts of the 51st
14 Legislature, Regular Session, 1949, refers to the
15 district as "a governmental agency and body politic
16 and corporate." The revised law omits the references
17 to "governmental agency" and "body politic and
18 corporate" because they duplicate a portion of Section
19 59(b), Article XVI, Texas Constitution, which provides
20 that a district created under that section is a
21 governmental agency and a body politic and corporate.

22 (3) Section 1, Chapter 303, Acts of the 51st
23 Legislature, Regular Session, 1949, states that the
24 "creation and establishment" of the district are
25 essential to accomplish the purposes of Section 59,
26 Article XVI, Texas Constitution. The revised law
27 omits "establishment" because "establishment" is
28 included in the meaning of "creation."

29 Revised Law

30 Sec. 6604.003. DISTRICT TERRITORY. Unless the district
31 territory has been modified under Subchapter J, Chapter 49, Water
32 Code, or other law, the boundaries of the district are coextensive
33 with the boundaries of Fort Bend County. (Acts 51st Leg., R.S., Ch.
34 303, Sec. 1 (part); New.)

1 County are abolished and their property is transferred
2 to and their functions, duties, and obligations are
3 assumed by the district. Section 4(A), Chapter 303,
4 Acts of the 51st Legislature, Regular Session, 1949,
5 provides procedures for holding a bond election at a
6 confirmation election. Because the creation of the
7 district was approved at the confirmation election,
8 the revised law omits the relevant provisions as
9 executed. The omitted law reads:

10 Sec. 2. . . . Within thirty (30) days
11 after this Act becomes effective, said
12 Court shall call an election for the purpose
13 of submitting to a vote of the duly
14 qualified resident electors of the District
15 who are qualified to vote in bond elections
16 the question of whether or not the creation
17 of the District shall be confirmed. The
18 cost of such an election shall be paid by
19 Fort Bend County out of the county general
20 fund. If a majority of the qualified voters
21 voting at such election vote against
22 confirmation of the District, the District
23 hereby created shall be abolished and this
24 Act shall be of no further force or effect.
25 If a majority vote in favor of the
26 confirmation, said District shall be
27 permanently created. In such case, all
28 other drainage districts situated in Fort
29 Bend County shall be abolished and the order
30 of the Commissioners Court declaring the
31 result of such election shall, in such case,
32 recite that all such districts are
33 abolished. Title and possession of all
34 property and assets of the abolished
35 districts shall thereupon pass to and be
36 vested in the District hereby created and
37 said District shall assume all functions,
38 duties and obligations of the abolished
39 districts.

40 Sec. 4. (A) . . . If the proposition
41 of issuing bonds is submitted at the
42 confirmation election, the form of ballot
43 at such first election shall be
44 substantially as follows: "For the
45 confirmation of the District, the issuance
46 of bonds and the levy of taxes in payment
47 thereof," and the contrary of such
48 proposition. . . .

49 [Sections 6604.004-6604.050 reserved for expansion]

50 SUBCHAPTER B. DISTRICT ADMINISTRATION

51 Revised Law

52 Sec. 6604.051. GOVERNING BODY. (a) The commissioners
53 court is the governing body of the district and the agency through

1 which the management and control of the district is administered.

2 (b) The commissioners court may perform any act necessary to
3 carry out the purposes of this chapter. (Acts 51st Leg., R.S., Ch.
4 303, Sec. 2 (part).)

5 Source Law

6 Sec. 2. The Commissioners Court of Fort Bend
7 County, Texas, is hereby designated as the governing
8 body of such District and the agency through which the
9 management and control of said District shall be
10 administered; and said Court is hereby empowered to do
11 any and all things necessary to carry out the aims and
12 purposes of this Act. . . .

13 Revisor's Note

14 Section 2, Chapter 303, Acts of the 51st
15 Legislature, Regular Session, 1949, refers to the
16 "aims and purposes" of that chapter. The revised law
17 omits "aims" because "aims" is included in the meaning
18 of "purposes."

19 Revised Law

20 Sec. 6604.052. DUTIES OF COUNTY OFFICIALS IN CONNECTION
21 WITH DISTRICT; DISTRICT OFFICERS, EMPLOYEES, AND AGENTS. (a) The
22 county judge, county commissioners, county tax assessor-collector,
23 county treasurer, and county depository of Fort Bend County shall
24 perform all duties in connection with the district that are
25 required by law in connection with official matters for Fort Bend
26 County.

27 (b) The county auditor of Fort Bend County is the auditor
28 for the district.

29 (c) The commissioners court may employ a general manager for
30 the district and any other agents, attorneys, engineers, and
31 employees considered necessary in connection with the purposes of
32 this chapter. All compensation for a person employed under this
33 subsection may be payable from funds created under this chapter for
34 the maintenance and operation of the district.

35 (d) The commissioners court shall require the county tax
36 assessor-collector, the county treasurer, and any other officers
37 and employees, as designated by the commissioners court, to post

1 bonds that are:

2 (1) payable to the district in amounts determined by
3 the commissioners court; and

4 (2) conditioned on:

5 (A) the faithful performance of their duties; and

6 (B) paying over and accounting for all money and
7 other things of value that belong to the district and come into
8 their possession.

9 (e) A bond required under Subsection (d) must be executed by
10 a surety company authorized to do business in this state and is
11 subject to the approval of the commissioners court. The district
12 shall pay the premiums on the bond. (Acts 51st Leg., R.S., Ch. 303,
13 Sec. 3(B).)

14 Source Law

15 (B) The County Judge, County Commissioners, the
16 Assessor and Collector of Taxes, the County Treasurer,
17 and the county depository of Fort Bend County are
18 authorized to, and shall be required to, perform all
19 duties in connection with the District required of
20 them by law in connection with official matters for
21 Fort Bend County, and the County Auditor of said county
22 shall be the Auditor for the Fort Bend County Drainage
23 District. Said Court may employ a General Manager for
24 said District and such other agents, attorneys,
25 engineers and employees as may be considered necessary
26 in connection with the purposes of this Act, and all
27 compensation for such persons may be payable from
28 funds herein created for the maintenance and operation
29 of the District.

30 The governing body shall require the County Tax
31 Assessor-Collector, the County Treasurer, and such
32 other officers and employees as the governing body
33 shall designate, to make official bonds payable to the
34 District in such amounts as the governing body shall
35 determine, conditioned upon the faithful performance
36 of their duties and paying over and accounting for all
37 money and other things of value belonging to the
38 District coming into their possession. Such bonds
39 shall be executed by a surety company authorized to do
40 business in Texas and shall be subject to the approval
41 of the governing body and the premiums thereon shall be
42 paid by the District.

43 Revisor's Note

44 Section 3(B), Chapter 303, Acts of the 51st
45 Legislature, Regular Session, 1949, requires or
46 authorizes requiring certain officers and employees to
47 make "official bonds." The revised law omits the
48 designation of the bonds as "official" because that

1 designation is unnecessary and does not add to the
2 clear meaning of the law in this context.

3 [Sections 6604.053-6604.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Revised Law

6 Sec. 6604.101. GENERAL POWERS. (a) The district has the
7 powers of government and the authority to exercise the rights,
8 privileges, and functions provided by this chapter.

9 (b) The district may perform any act necessary or proper to
10 carry out a district purpose. (Acts 51st Leg., R.S., Ch. 303, Secs.
11 1 (part), 3(A) (part).)

12 Source Law

13 Sec. 1. . . . Said District [shall be a
14 governmental agency and body politic and corporate,]
15 with the powers of government and with the authority to
16 exercise the rights, privileges and functions
17 hereinafter specified,

18 Sec. 3. (A) In addition to the general powers
19 herein granted, said Fort Bend County Drainage
20 District shall be authorized to exercise the following
21 powers, privileges and functions:

22 . . .
23 (8) To do any and all other acts or things
24 necessary or proper to carry into effect the purposes
25 for which the District is organized.

26 Revisor's Note

27 Section 3(A), Chapter 303, Acts of the 51st
28 Legislature, Regular Session, 1949, gives the district
29 certain powers that are "[i]n addition to the general
30 powers herein granted." Throughout this chapter, the
31 revised law omits the quoted language because the
32 powers to which it refers are expressly set forth in
33 other sections of this chapter and a general reference
34 to them is unnecessary.

35 Revised Law

36 Sec. 6604.102. ACQUISITION OF PROPERTY; EMINENT DOMAIN.

37 (a) The district:

38 (1) by gift, devise, purchase, lease, or exercise of
39 the power of eminent domain, may acquire inside the district an
40 easement, right-of-way, or other property needed to carry on the

1 work of the district; and

2 (2) by exercise of the power of eminent domain or
3 otherwise, may acquire outside the district an easement or
4 right-of-way.

5 (b) Before the district acquires by exercise of the power of
6 eminent domain an easement or right-of-way outside the district,
7 the acquisition must be unanimously approved by the entire
8 commissioners court of the county in which the easement or
9 right-of-way is located.

10 (c) The district must exercise the power of eminent domain
11 in the manner provided by Chapter 21, Property Code. (Acts 51st
12 Leg., R.S., Ch. 303, Sec. 3(A) (part).)

13 Source Law

14 Sec. 3. (A) In addition to the general powers
15 herein granted, said Fort Bend County Drainage
16 District shall be authorized to exercise the following
17 powers, privileges and functions:

18 (1) To acquire within the District
19 easements, right-of-ways, and any other character of
20 property needed to carry on the work of the District by
21 way of gift, devise, purchase, leasehold or
22 condemnation; and to acquire without the District
23 easements and right-of-ways by condemnation or
24 otherwise; provided, however, such acquisition of
25 easements or right-of-ways acquired without the
26 District by way of condemnation shall be first
27 unanimously approved by the entire Commissioners Court
28 of the County wherein such easements and right-of-ways
29 sought to be condemned, may be situated. The right of
30 eminent domain is hereby expressly conferred on said
31 District and the procedure with reference to
32 condemnation, the assessment of and estimating of
33 damages, payment, appeal, the entering upon the
34 property pending appeal and all other procedure
35 prescribed in Title 52, of the Revised Civil Statutes
36 of Texas, 1925, as heretofore or hereafter amended,
37 shall apply to said District.

38 . . .

39 Revisor's Note

40 (1) Section 3(A)(1), Chapter 303, Acts of the
41 51st Legislature, Regular Session, 1949, provides that
42 the district may acquire certain property "by . . .
43 condemnation" and that "[t]he right of eminent domain
44 is hereby expressly conferred on said District." The
45 revised law substitutes for the quoted language a
46 statement that the district may acquire certain

1 property "by . . . exercise of the power of eminent
2 domain" because the provisions have the same meaning
3 and the reference to the exercise of the power of
4 eminent domain is consistent with modern usage in laws
5 relating to eminent domain.

6 (2) Section 3(A)(1), Chapter 303, Acts of the
7 51st Legislature, Regular Session, 1949, provides that
8 certain procedures prescribed by "Title 52, of the
9 Revised Civil Statutes of Texas, 1925, as heretofore
10 or hereafter amended," apply to the district. That
11 statute was codified in 1983 as Chapter 21, Property
12 Code. The revised law is drafted accordingly. The
13 revised law omits the reference to "as heretofore or
14 hereafter amended" because under Section 311.027,
15 Government Code (Code Construction Act), a reference
16 to a statute applies to all reenactments, revisions,
17 or amendments of that statute unless expressly
18 provided otherwise.

19 Revised Law

20 Sec. 6604.103. DISPOSAL OR LEASE OF DISTRICT PROPERTY. (a)
21 The district may dispose of property or a property right that is not
22 needed for a district purpose.

23 (b) The district may lease property or a property right for
24 a purpose that does not interfere with the district's use of the
25 property. (Acts 51st Leg., R.S., Ch. 303, Sec. 3(A) (part).)

26 Source Law

27 Sec. 3. (A) In addition to the general powers
28 herein granted, said Fort Bend County Drainage
29 District shall be authorized to exercise the following
30 powers, privileges and functions:

31 . . .
32 (2) To dispose of property or rights
33 therein when the same are no longer needed for the
34 purposes for which the District was created or to lease
35 same for purposes which will not interfere with the use
36 of such property by the District.
37 . . .

38 Revised Law

39 Sec. 6604.104. GENERAL RECLAMATION AND DRAINAGE POWERS.

1 The district may:

2 (1) devise plans and construct works to reclaim land
3 in the district;

4 (2) provide drainage facilities for reclamation and
5 drainage of the overflowed land and other land in the district that
6 needs drainage;

7 (3) acquire or construct outside the district
8 properties or facilities that in the judgment of the commissioners
9 court are necessary to facilitate drainage and reclamation of land
10 in the district;

11 (4) remove natural or artificial obstructions from
12 streams or watercourses; and

13 (5) clean, straighten, widen, or maintain streams,
14 watercourses, or drainage ditches. (Acts 51st Leg., R.S., Ch. 303,
15 Sec. 3(A) (part).)

16 Source Law

17 Sec. 3. (A) In addition to the general powers
18 herein granted, said Fort Bend County Drainage
19 District shall be authorized to exercise the following
20 powers, privileges and functions:

21 . . .
22 (3) To devise plans and construct works to
23 reclaim lands in the District; to provide drainage
24 facilities for the reclamation and drainage of the
25 overflowed lands and other lands within the District
26 needing drainage; to acquire or construct properties
27 and facilities beyond the boundaries of the District
28 where in the judgment of the governing body such
29 properties or facilities are necessary to facilitate
30 the drainage and reclamation of lands within the
31 District; and to remove obstructions, natural or
32 artificial, from streams and water courses, and to
33 clean, straighten, widen and maintain streams, water
34 courses and drainage ditches.

35 . . .

36 Revised Law

37 Sec. 6604.105. ARRANGEMENTS WITH UNITED STATES. (a) The
38 district may cooperate with, contract with, or receive a grant,
39 loan, or advancement from the United States to exercise a district
40 power or to further a district purpose.

41 (b) The district may contribute to the United States in
42 connection with any project that is undertaken by the United States
43 and affects or relates to a district purpose. (Acts 51st Leg.,

1 R.S., Ch. 303, Sec. 3(A) (part).)

2 Source Law

3 Sec. 3. (A) In addition to the general powers
4 herein granted, said Fort Bend County Drainage
5 District shall be authorized to exercise the following
6 powers, privileges and functions:

7 . . .
8 (4) To cooperate with and contract with
9 the United States of America or with any of its
10 departments or agencies now existing, or which may be
11 created hereafter, to carry out any of the powers or to
12 further any of the purposes set forth in this Act, and,
13 for such purposes, to receive grants, loans or
14 advancements therefrom; or to contribute to the United
15 States of America or any of its departments or agencies
16 in connection with any project undertaken by it
17 affecting or relating to any of the purposes for which
18 the District is organized.

19 . . .

20 Revisor's Note

21 Section 3(A)(4), Chapter 303, Acts of the 51st
22 Legislature, Regular Session, 1949, refers to the
23 United States of America or "any of its departments or
24 agencies now existing, or which may be created
25 hereafter." The revised law omits the quoted language
26 because under Section 311.005(9), Government Code
27 (Code Construction Act), "United States" includes a
28 department, bureau, or other agency of the United
29 States of America.

30 Revised Law

31 Sec. 6604.106. CONTRACTS AND COOPERATION WITH STATE AND
32 POLITICAL SUBDIVISIONS. The district may cooperate and contract
33 with this state or a political subdivision of this state to carry
34 out a district purpose. (Acts 51st Leg., R.S., Ch. 303, Sec. 3(A)
35 (part).)

36 Source Law

37 Sec. 3. (A) In addition to the general powers
38 herein granted, said Fort Bend County Drainage
39 District shall be authorized to exercise the following
40 powers, privileges and functions:

41 . . .
42 (5) To cooperate and contract with any
43 department or agency of the State of Texas, or any
44 political subdivision thereof, or any municipal
45 corporation to carry out any purpose for which the
46 District is organized.

47 . . .

1 Revisor's Note

2 (1) Section 3(A)(5), Chapter 303, Acts of the
3 51st Legislature, Regular Session, 1949, refers to a
4 "department or agency" of this state. The revised law
5 omits the quoted language because the meaning of
6 "department or agency" of this state is included in the
7 meaning of "this state."

8 (2) Section 3(A)(5), Chapter 303, Acts of the
9 51st Legislature, Regular Session, 1949, refers to
10 "any political subdivision [of this state], or any
11 municipal corporation." The revised law omits
12 "municipal corporation" because "municipal
13 corporation" is included in the meaning of "political
14 subdivision."

15 Revised Law

16 Sec. 6604.107. CONSTRUCTION ON PUBLIC LAND. (a) The
17 district may construct works, ditches, canals, or other
18 improvements over, across, or along:

19 (1) a public stream, road, or highway; or

20 (2) land belonging to this state.

21 (b) A plan for an improvement under Subsection (a) on a
22 state highway is subject to the approval of the Texas Department of
23 Transportation.

24 (c) A plan for an improvement under Subsection (a) on Texas
25 Department of Criminal Justice land is subject to the approval of
26 the Texas Board of Criminal Justice. (Acts 51st Leg., R.S., Ch.
27 303, Sec. 3(A) (part).)

28 Source Law

29 Sec. 3. (A) In addition to the general powers
30 herein granted, said Fort Bend County Drainage
31 District shall be authorized to exercise the following
32 powers, privileges and functions:

33 . . .
34 (7) To construct works, ditches, canals
35 and other improvements over, across and along any
36 public streams, roads, highways, or any lands
37 belonging to the State of Texas, provided that the
38 plans for such improvement on state highways shall be
39 subject to the approval of the State Highway
40 Department and on Prison System lands, shall be

1 subject to the approval of the Texas Prison Board.
2 . . .

3 Revisor's Note

4 (1) Section 3(A)(7), Chapter 303, Acts of the
5 51st Legislature, Regular Session, 1949, refers to the
6 "State Highway Department." The name of the State
7 Highway Department was changed to the State Department
8 of Highways and Public Transportation by Section 3,
9 Chapter 678, Acts of the 64th Legislature, Regular
10 Session, 1975. The name of the State Department of
11 Highways and Public Transportation was changed to the
12 Texas Department of Transportation by Section 1.01,
13 Chapter 7, Acts of the 72nd Legislature, 1st Called
14 Session, 1991. The revised law is drafted
15 accordingly.

16 (2) Section 3(A)(7), Chapter 303, Acts of the
17 51st Legislature, Regular Session, 1949, refers to
18 "Prison System lands" and to the "Texas Prison Board."
19 In 1957, the name of the Texas Prison System was
20 changed to the Texas Department of Corrections and the
21 name of the Texas Prison Board was changed to the Texas
22 Board of Corrections by Section 1, Chapter 146, Acts of
23 the 55th Legislature, Regular Session. In 1989, the
24 Texas Department of Corrections and the Texas Board of
25 Corrections were abolished by Chapter 785, Acts of the
26 71st Legislature, Regular Session. The Texas
27 Department of Criminal Justice became the state agency
28 with primary responsibility for the development of a
29 state prison system, and the Texas Board of Criminal
30 Justice became the governing body of the department.
31 The revised law is drafted accordingly.

32 Revisor's Note
33 (End of Subchapter)

34 Section 3(A)(6), Chapter 303, Acts of the 51st
35 Legislature, Regular Session, 1949, provides that the
36 district may sue and be sued in the name of the

1 district and requires courts to take judicial notice
2 of the establishment of the district. The revised law
3 omits that provision because it duplicates, in
4 substance, part of Section 49.066, Water Code, which
5 applies to the district under Sections 49.001 and
6 49.002 of that code. The omitted law reads:

7 Sec. 3. (A) [In addition to the
8 general powers herein granted, said Fort
9 Bend County Drainage District shall be
10 authorized to exercise the following
11 powers, privileges and functions:]

12 (6) To sue and be sued in the
13 name of the District and all courts shall
14 take judicial notice of the establishment
15 of the District.
16

17 [Sections 6604.108-6604.150 reserved for expansion]

18 SUBCHAPTER D. TAXES

19 Revised Law

20 Sec. 6604.151. AD VALOREM TAX FOR MAINTENANCE AND
21 OPERATIONS. (a) The commissioners court may impose a tax at a rate
22 not to exceed 25 cents on each \$100 valuation of taxable property in
23 the district to pay the cost of maintaining district property and
24 operating the district.

25 (b) The commissioners court may not impose the tax until the
26 tax is authorized at an election:

27 (1) called for that purpose by the commissioners court
28 in the manner provided by Section 6604.205; and

29 (2) at which a majority of the voters voting at the
30 election vote in favor of the imposition of the tax. (Acts 51st
31 Leg., R.S., Ch. 303, Sec. 5 (part).)

32 Source Law

33 Sec. 5. In addition to the levy and collection
34 of taxes to pay bonds, as heretofore provided, said
35 Court may levy and cause to be collected a tax not
36 exceeding Twenty-five Cents (25¢) on each one hundred
37 dollar valuation of taxable property within the
38 District for the purpose of paying the cost of
39 operating the District and maintaining its properties;
40 provided, however, that no such tax shall be levied or
41 assessed, until authorized at an election called for
42 such purpose by said Court, in the manner provided by
43 Section 4, hereof, at which a majority of the qualified
44 electors, qualified to vote under the Constitution,
45 voting at such election, vote in favor of the levy and

1 collection of such tax. . . .

2 Revisor's Note

3 (1) Section 5, Chapter 303, Acts of the 51st
4 Legislature, Regular Session, 1949, provides that
5 "[i]n addition to the levy and collection of taxes to
6 pay bonds, as heretofore provided," the commissioners
7 court may impose a tax for maintenance and operations.
8 The revised law omits the quoted language because an
9 accepted general principle of statutory construction
10 requires that a statute be given cumulative effect
11 with other statutes unless the statute provides
12 otherwise or unless the statute conflicts with another
13 statute. That general principle applies to the
14 revised law.

15 (2) Section 5, Chapter 303, Acts of the 51st
16 Legislature, Regular Session, 1949, authorizes the
17 commissioners court to "levy and cause to be
18 collected" a tax and provides that the tax may not be
19 "levied or assessed" until authorized at an election.
20 Throughout this chapter, the revised law substitutes
21 "impose" for "assess," "levy," "cause to be
22 collected," and similar terms because "impose" is the
23 term generally used in Title 1, Tax Code, and includes
24 the assessment, levying, and collection of a tax.

25 (3) Section 5, Chapter 303, Acts of the 51st
26 Legislature, Regular Session, 1949, refers to a
27 majority of the "qualified electors, qualified to vote
28 under the Constitution." The revised law omits
29 "qualified" and "qualified to vote under the
30 Constitution" as unnecessary in this context because
31 Chapter 11, Election Code, governs eligibility to vote
32 in this state and allows only "qualified" voters to
33 vote in an election and because, as a general principle
34 of law, Chapter 11 and all other statutes of this state
35 may contain only provisions consistent with the

1 constitution. The revised law also substitutes
2 "voters" for "electors" because the former is the term
3 used in the Election Code.

4 Revised Law

5 Sec. 6604.152. TAX ASSESSOR-COLLECTOR. The county tax
6 assessor-collector of Fort Bend County is the tax
7 assessor-collector for the district. (Acts 51st Leg., R.S., Ch.
8 303, Sec. 5 (part).)

9 Source Law

10 Sec. 5. . . . the County Tax
11 Assessor-Collector, of Fort Bend County, is hereby
12 named and appointed Tax Assessor-Collector for said
13 District; and

14 Revisor's Note
15 (End of Subchapter)

16 (1) Section 5, Chapter 303, Acts of the 51st
17 Legislature, Regular Session, 1949, provides that the
18 assessed valuation of taxable property for district
19 purposes shall be the same as that for state and county
20 purposes. The revised law omits the provision because
21 it duplicates Section 18(b), Article VIII, Texas
22 Constitution, and Section 6.01, Tax Code. Section
23 18(b) requires the legislature by general law to
24 provide for a single appraisal in each county of all
25 property subject to ad valorem taxation by the county
26 and all other taxing units located in the county.
27 Section 6.01 establishes an appraisal district to
28 appraise property in each county and requires each
29 taxing unit that imposes ad valorem taxes on property
30 in the appraisal district to use that appraisal.
31 Section 6.01, Tax Code, applies to the district under
32 Section 1.02, Tax Code. The omitted law reads:

33 Sec. 5. . . . The assessed
34 valuations of taxable property for District
35 purposes shall be the same as that for State
36 and County purposes; and

37 (2) Section 5, Chapter 303, Acts of the 51st
38 Legislature, Regular Session, 1949, provides that the

1 Board of Equalization of Fort Bend County is the board
2 of equalization for the district. The revised law
3 omits the references to a board of equalization
4 because boards of equalization were abolished and
5 their functions and duties transferred to appraisal
6 review boards by the 1979 enactment of the Property Tax
7 Code, Title 1, Tax Code (Section 1, Chapter 841, Acts
8 of the 66th Legislature, Regular Session). The
9 omitted law reads:

10 Sec. 5. . . . the Board of
11 Equalization of Fort Bend County is hereby
12 named, constituted and appointed the Board
13 of Equalization for said District. . . .

14 (3) Section 5, Chapter 303, Acts of the 51st
15 Legislature, Regular Session, 1949, provides that the
16 state laws relating to the assessment and collection
17 of state and county taxes apply to the assessment and
18 collection of taxes of the district except where they
19 conflict with that chapter. The revised law omits that
20 provision as repealed by Chapter 841, Acts of the 66th
21 Legislature, Regular Session, 1979, enacting Title 1,
22 Tax Code, a comprehensive, substantive codification of
23 the laws governing the administration of ad valorem
24 taxes, and repealing all other general, local, and
25 special laws in conflict with that act and as
26 superseded by Section 1.02, Tax Code, which provides
27 for the applicability of Title 1, Tax Code, to all
28 taxing units in this state, including the district.
29 The omitted law reads:

30 Sec. 5. . . . All laws of the State
31 of Texas relating to the assessing and
32 collecting of State and County taxes are by
33 this Act made available for, and shall be
34 applied to, the assessing of current taxes
35 and to the collection of both current and
36 delinquent taxes of said District, except
37 where same are in conflict with the
38 provisions of this Act. . . .

39 (4) Section 5, Chapter 303, Acts of the 51st
40 Legislature, Regular Session, 1949, provides that the

1 county tax assessor-collector shall be paid a fee for
2 the assessment and collection of district taxes. The
3 revised law omits that provision for the reason stated
4 in Revisor's Note (3) to the end of this subchapter.
5 Section 6.27(b), Tax Code, provides for the
6 compensation of a county tax assessor-collector
7 assessing and collecting taxes for another taxing unit
8 such as the district. The omitted law reads:

9 Sec. 5. . . . The County Tax
10 Assessor-Collector shall be paid such sum,
11 not to exceed two per cent (2%) of taxes
12 collected for assessing and not to exceed
13 two per cent (2%) for collecting, as may be
14 prescribed by the Commissioners Court.

15 [Sections 6604.153-6604.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Revised Law

18 Sec. 6604.201. AUTHORITY TO ISSUE BONDS. The commissioners
19 court may:

20 (1) issue district bonds to finance carrying out any
21 power or purpose granted by this chapter to the district; and

22 (2) provide for the payment of the interest on the
23 bonds as it accrues and for a sinking fund for the redemption of the
24 bonds as they mature by imposing a tax on all taxable property in
25 the district, as shown by the most recent certified appraisal roll
26 of the district, at a rate sufficient for that purpose. (Acts 51st
27 Leg., R.S., Ch. 303, Sec. 4(A) (part).)

28 Source Law

29 Sec. 4. (A) The Court shall be authorized, from
30 time to time, in behalf of said Fort Bend County
31 Drainage District, to issue the bonds of said
32 District, within the limitations hereinafter stated,
33 for the purpose of acquiring funds with which to
34 accomplish and carry out any one or more of the powers
35 and purposes herein granted to the District, and to
36 provide for the payment of the interest on such bonds
37 as it accrues and to create a sinking fund for the
38 redemption of said bonds as they mature, by levying and
39 causing to be collected a tax on all taxable property
40 within the District, as shown by the then current
41 approved County assessment rolls, sufficient for such
42 purposes. . . .

1 Revisor's Note

2 (1) Section 4(A), Chapter 303, Acts of the 51st
3 Legislature, Regular Session, 1949, authorizes the
4 commissioners court to issue district bonds "from time
5 to time." The revised law omits "from time to time"
6 because the power to issue bonds implies the power to
7 do so at any time.

8 (2) Section 4(A), Chapter 303, Acts of the 51st
9 Legislature, Regular Session, 1949, authorizes the
10 commissioners court to issue district bonds "within
11 the limitations hereinafter stated." The revised law
12 omits the quoted language because the limitations
13 contained in that chapter apply to the issuance of
14 district bonds on their own terms without an express
15 reference to those limitations in this section.

16 (3) Section 4(A), Chapter 303, Acts of the 51st
17 Legislature, Regular Session, 1949, refers to the
18 "approved County assessment rolls." The revised law
19 substitutes a reference to the "certified appraisal
20 roll of the district" to conform to the terminology of
21 Title 1, Tax Code, including Section 26.01 of that
22 code, requiring the chief appraiser of an appraisal
23 district to certify to the assessor for each taxing
24 unit participating in the district an appraisal roll
25 that lists the properties taxable by that taxing unit
26 and the values of those properties.

27 (4) Section 4(A), Chapter 303, Acts of the 51st
28 Legislature, Regular Session, 1949, authorizes the
29 district to issue additional bonds in the same manner
30 as the initially issued bonds. The revised law omits
31 that provision because the power to issue bonds
32 implies the power to do so at more than one time, and
33 the provisions specifying the manner for issuing bonds
34 impliedly apply to any issuance of district bonds. The

1 omitted law reads:

2 (A) . . . Subject to the limitations
3 contained in this Act, additional bonds may
4 be issued, from time to time, in like
5 manner, and under the same procedure. . . .

6 Revised Law

7 Sec. 6604.202. LIMITATION ON DEBT. The total principal
8 amount of bonds issued under Section 6604.201 that the district may
9 have outstanding at any time may not exceed five percent of the
10 assessed value of all taxable property in the district as shown by
11 the most recent appraisal roll of the district. (Acts 51st Leg.,
12 R.S., Ch. 303, Sec. 4(A) (part).)

13 Source Law

14 (A) . . . It is expressly provided, however,
15 that the total principal amount of bonds issued by the
16 District at any one time, together with all previously
17 issued bonds then outstanding, shall never exceed a
18 sum equal to five per cent (5%) of the assessed
19 valuation of all taxable property within the District,
20 as shown by the then current County assessment rolls.
21 . . .

22 Revisor's Note

23 (1) Section 4(A), Chapter 303, Acts of the 51st
24 Legislature, Regular Session, 1949, refers to bonds
25 that are "issued" and "outstanding." The revised law
26 omits the reference to "issued" as unnecessary because
27 for a bond to be "outstanding" it must have been
28 issued.

29 (2) Section 4(A), Chapter 303, Acts of the 51st
30 Legislature, Regular Session, 1949, refers to the
31 "County assessment rolls." The revised law refers to
32 the "appraisal roll of the district" for the reason
33 stated in Revisor's Note (3) to Section 6604.201.

34 Revised Law

35 Sec. 6604.203. FORM OF BONDS. (a) A district bond issued
36 under this chapter must be:

- 37 (1) issued in the name of the district;
38 (2) signed by the county judge of Fort Bend County; and
39 (3) attested by the county clerk of Fort Bend County.

1 (b) If the bond is issued with one or more interest coupons,
2 the coupons must be signed by the county judge and the county clerk
3 of Fort Bend County. (Acts 51st Leg., R.S., Ch. 303, Sec. 4(B)
4 (part).)

5 Source Law

6 (B) All bonds issued under the provisions of
7 this Act shall be issued in the name of the Fort Bend
8 County Drainage District of Fort Bend County, Texas,
9 and shall be signed by the County Judge, attested by
10 the County Clerk, and the seal of the Commissioners
11 Court of Fort Bend County shall be affixed to each of
12 them. Said bonds . . . shall bear interest at a rate
13 not to exceed five per cent (5%) per annum to be
14 evidenced by attached coupons which shall bear the
15 facsimile signatures of the County Judge and of the
16 County Clerk.

17 . . .

18 Revisor's Note

19 (1) Section 4(B), Chapter 303, Acts of the 51st
20 Legislature, Regular Session, 1949, provides that the
21 seal of the commissioners court must be affixed to
22 district bonds. The revised law omits that provision
23 because it was impliedly repealed by the enactment of
24 Section 3, Bond Procedures Act of 1981 (Article
25 717k-6, Vernon's Texas Civil Statutes) (revised in
26 relevant part in 1999 as Section 1201.026(a),
27 Government Code), which provides that bonds may be
28 signed with or without a seal. Section 1201.026(a),
29 Government Code, applies to district bonds by
30 application of Section 1201.002, Government Code.

31 (2) Section 4(B), Chapter 303, Acts of the 51st
32 Legislature, Regular Session, 1949, provides that
33 district bonds shall bear interest at a rate not to
34 exceed five percent. The revised law omits that
35 provision because it is superseded by other law.
36 Section 4(B), enacted in 1949, was impliedly amended
37 by the enactment of Chapter 3, Acts of the 61st
38 Legislature, Regular Session, 1969 (Article 717k-2,
39 Vernon's Texas Civil Statutes), now Chapter 1204,
40 Government Code. Section 1204.006, Government Code,

1 reflecting the 1981 amendment of Article 717k-2 by
2 Section 1, Chapter 61, Acts of the 67th Legislature,
3 Regular Session, permits a public agency to issue
4 public securities at any net effective interest rate
5 of 15 percent or less. Section 1204.006, Government
6 Code, applies to district bonds by application of
7 Section 1204.001, Government Code.

8 (3) Section 4(B), Chapter 303, Acts of the 51st
9 Legislature, Regular Session, 1949, provides that the
10 interest borne by district bonds is to be evidenced by
11 attached coupons that bear the facsimile signatures of
12 the county judge and county clerk of Fort Bend County.
13 The requirement that the bonds be issued with attached
14 coupons is impliedly repealed by Section 3, Bond
15 Procedures Act of 1981 (Article 717k-6, Vernon's Texas
16 Civil Statutes) (revised in relevant part in 1999 as
17 Section 1201.021(3), Government Code), which provides
18 that a bond may be issued with one or more interest
19 coupons or without a coupon. Accordingly, the revised
20 law provides that "[i]f the bond is issued with one or
21 more interest coupons," the coupons must be signed by
22 those officials. The revised law omits the
23 requirement that the coupons bear "facsimile"
24 signatures because it is impliedly repealed by Section
25 3, Bond Procedures Act of 1981 (Article 717k-6,
26 Vernon's Texas Civil Statutes) (revised in relevant
27 part in 1999 as Section 1201.026(a), Government Code),
28 which provides that bonds and interest coupons may be
29 signed or otherwise executed with a manual or
30 facsimile signature. Sections 1201.021 and
31 1201.026(a), Government Code, apply to district bonds
32 by application of Section 1201.002, Government Code.

33 Revised Law

34 Sec. 6604.204. MATURITY. District bonds issued under

1 Section 6604.201 must mature not later than 30 years after their
2 date of issuance. (Acts 51st Leg., R.S., Ch. 303, Sec. 4(A)
3 (part).)

4 Source Law

5 (A) . . . Such bonds . . . shall mature serially
6 or otherwise over a period of not to exceed thirty (30)
7 years from their date or dates. . . .

8 Revisor's Note

9 Section 4(A), Chapter 303, Acts of the 51st
10 Legislature, Regular Session, 1949, provides that
11 district bonds shall mature "serially or otherwise."
12 The revised law omits the quoted language because it is
13 superseded by Section 1201.021, Government Code
14 (enacted as Section 3, Bond Procedures Act of 1981
15 (Article 717k-6, Vernon's Texas Civil Statutes)),
16 which provides that the governing body of an issuer may
17 determine the time of payment of public securities it
18 issues, and by Section 1201.022, Government Code
19 (enacted as Section 5(a), Bond Procedures Act of 1981
20 (Article 717k-6, Vernon's Texas Civil Statutes)),
21 which provides that a public security may be issued
22 with specified characteristics, on specified terms, or
23 in a specified manner. Sections 1201.021 and 1201.022
24 apply to district bonds under Sections 1201.002 and
25 1201.003, Government Code.

26 Revised Law

27 Sec. 6604.205. ELECTION FOR BONDS PAYABLE FROM TAXES. (a)
28 The commissioners court may not issue district bonds under Section
29 6604.201 until the issuance of the bonds and the imposition of taxes
30 to pay the principal of and interest on the bonds are authorized by
31 a majority of the voters voting at an election called for that
32 purpose.

33 (b) The proposition for the issuance of district bonds may
34 be submitted at any time the commissioners court considers proper.

35 (c) Chapter 1251, Government Code, applies to a district

1 bond election except to the extent of any conflict with this
2 chapter.

3 (d) If a majority of the voters voting at a district bond
4 election vote in favor of the issuance of bonds and the imposition
5 of taxes, the commissioners court may:

6 (1) issue, sell, and deliver the bonds;

7 (2) receive, use, and apply the proceeds for district
8 purposes; and

9 (3) impose taxes on all property subject to taxation
10 in the district. (Acts 51st Leg., R.S., Ch. 303, Sec. 4(A) (part).)

11 Source Law

12 (A) . . . No such bonds shall be issued until
13 first authorized by a majority of the voters qualified
14 to vote on bond issues under the Constitution of Texas
15 voting at an election called for the purpose of
16 determining whether or not such bonds shall be issued
17 and whether or not taxes shall be levied to pay
18 principal and interest thereon when due. In the event
19 a majority of the qualified voters voting at such
20 election shall vote in favor of the issuance of bonds
21 and the levy of taxes, the Court shall be authorized to
22 issue, sell and deliver said Fort Bend County Drainage
23 District Bonds and to receive, use and apply the
24 proceeds for the aforesaid purposes of said District,
25 and to levy and assess taxes upon all property subject
26 to taxation in said District and to arrange for the
27 collection of such taxes. . . . The proposition of the
28 issuance of bonds may be submitted at the election
29 called for confirmation of the creation of said
30 District under Section 2, hereof, or at such later
31 times as the Court shall deem proper. . . . The
32 provisions of Chapter 1 of Title 22, Revised Civil
33 Statutes of Texas, as amended, shall apply to all bond
34 elections in said District except where in conflict
35 with this Act.

36 . . .

37 Revisor's Note

38 (1) Section 4(A), Chapter 303, Acts of the 51st
39 Legislature, Regular Session, 1949, refers to a
40 majority of the voters "qualified to vote on bond
41 issues under the Constitution of Texas" and to a
42 majority of the "qualified voters" voting at an
43 election. The revised law omits the quoted language
44 for the reason stated in Revisor's Note (3) to Section
45 6604.151.

46 (2) Section 4(A), Chapter 303, Acts of the 51st

1 Legislature, Regular Session, 1949, provides that the
2 proposition for the issuance of district bonds may be
3 submitted "at the election called for confirmation of
4 the creation of said District under Section 2,
5 hereof," or at any time the commissioners court
6 considers proper. Because the creation of the
7 district was approved at the confirmation election,
8 the revised law omits the quoted language as executed.

9 (3) Section 4(A), Chapter 303, Acts of the 51st
10 Legislature, Regular Session, 1949, provides that the
11 levy of maintenance taxes may be submitted as a
12 proposition at "such" election. It is unclear whether
13 the reference to "such" election means the
14 confirmation election or any district bond election.
15 If the reference is to the confirmation election, the
16 provision may be omitted as executed because the
17 confirmation election has been held. Regardless of
18 whether the reference is specifically to the
19 confirmation election, however, the provision may be
20 omitted because it duplicates, in substance, Section
21 49.107(c), Water Code, which applies to the district
22 under Sections 49.001 and 49.002 of that code. The
23 omitted law reads:

24 (A) . . . The levy of maintenance
25 taxes may be submitted as a further
26 proposition at such election. . . .

27 (4) Section 4(A), Chapter 303, Acts of the 51st
28 Legislature, Regular Session, 1949, provides that
29 "Chapter 1 of Title 22, Revised Civil Statutes of
30 Texas, as amended," applies to a district bond
31 election. The election provisions of Chapter 1, Title
32 22, Revised Statutes, are revised as Chapter 1251,
33 Government Code, and the revised law is drafted
34 accordingly. The revised law omits the reference to
35 "as amended" for the reason stated in Revisor's Note

1 (2) to Section 6604.102.

2 Revised Law

3 Sec. 6604.206. ISSUANCE OF CERTAIN TIME WARRANTS
4 PROHIBITED. The district may not issue time warrants payable from
5 taxes. (Acts 51st Leg., R.S., Ch. 303, Sec. 4(A) (part).)

6 Source Law

7 (A) . . . The District shall not be authorized
8 to issue time warrants payable from taxes.

9 Revisor's Note

10 (End of Subchapter)

11 (1) Section 4(A), Chapter 303, Acts of the 51st
12 Legislature, Regular Session, 1949, provides that
13 district bonds may not be delivered to the purchasers
14 until they have been approved by the attorney general
15 and registered by the comptroller. That section also
16 provides that after approval, registration, and sale
17 the bonds are valid and binding obligations of the
18 district. The revised law omits those provisions as
19 superseded by Chapter 1202, Government Code (enacted
20 as Article 3, Chapter 53, Acts of the 70th Legislature,
21 2nd Called Session, 1987). Section 1202.003,
22 Government Code, provides for approval of the bonds by
23 the attorney general and requires the attorney general
24 to submit the approved bonds to the comptroller for
25 registration. Section 1202.005, Government Code,
26 requires registration of the bonds by the comptroller.
27 Section 1202.006, Government Code, provides that after
28 approval and registration the bonds are incontestable
29 and binding obligations. Chapter 1202, Government
30 Code, applies to district bonds by application of
31 Section 1202.001, Government Code. The omitted law
32 reads:

33 (A) . . . Such bonds shall not be
34 delivered to the purchasers until they have
35 been approved as to legality by the Attorney
36 General of Texas and registered by the
37 Comptroller of Public Accounts of Texas.
38 . . .

1 . . . after having been approved by
2 the Attorney General and registered by the
3 Comptroller of Public Accounts and sold
4 . . . , such bonds shall be held in any suit
5 or proceeding in which their validity may be
6 questioned to be valid, binding obligations
7 of such District, subject only to the
8 defense of fraud, forgery or constitutional
9 violation. No suit shall be brought
10 attacking the validity of such bonds,
11 except upon the ground stated, after such
12 bonds have been delivered and the proceeds
13 of sale have been received by the District.
14 . . .

15 (2) Section 4(A), Chapter 303, Acts of the 51st
16 Legislature, Regular Session, 1949, provides that the
17 cost of issuing, selling, and delivering district
18 bonds may be paid out of the proceeds of sale of the
19 bonds. The revised law omits that provision because it
20 duplicates, in substance, Section 49.155, Water Code,
21 which applies to the district under Sections 49.001
22 and 49.002 of that code. The omitted law reads:

23 (A) . . . The cost of issuing,
24 selling and delivering such bonds may be
25 paid out of the proceeds of sale thereof.
26 . . .

27 (3) Section 4(A), Chapter 303, Acts of the 51st
28 Legislature, Regular Session, 1949, provides that
29 district bonds shall bear interest at a rate not to
30 exceed five percent. The revised law omits that
31 provision for the reason stated in Revisor's Note (2)
32 to Section 6604.203. The omitted law reads:

33 (A) . . . [Such bonds] shall bear
34 interest at a rate not to exceed five per
35 cent (5%) per annum and

36 (4) Section 4(A), Chapter 303, Acts of the 51st
37 Legislature, Regular Session, 1949, provides that
38 district bonds shall be sold for not less than par and
39 accrued interest. The revised law omits that
40 provision because it is superseded by provisions of
41 general law. Section 1204.006(b), Government Code
42 (enacted as Section 2, Chapter 3, Acts of the 61st
43 Legislature, Regular Session, 1969 (Article 717k-2,
44 Vernon's Texas Civil Statutes)), provides that an

1 issuer may sell public securities at any price.
2 Section 1204.006(b) applies to district bonds by
3 application of Section 1204.001, Government Code.
4 Section 1201.022, Government Code, as amended in 2001,
5 provides that an issuer may sell public securities
6 "under the terms determined by the governing body of
7 the issuer to be in the issuer's best interests."
8 Section 1201.022 applies to district bonds by
9 application of Section 1201.002, Government Code. The
10 omitted law reads:

11 (A) . . . They shall be sold for not
12 less than par and accrued interest and,
13 [after having been approved by the Attorney
14 General and registered by the Comptroller
15 of Public Accounts and sold] for not less
16 than par and accrued interest[, such bonds
17 shall be held in any suit or proceeding in
18 which their validity may be questioned to be
19 valid, binding obligations of such
20 District]

21 (5) Section 4(B), Chapter 303, Acts of the 51st
22 Legislature, Regular Session, 1949, provides that
23 district bonds shall be issued in denominations of not
24 less than \$100 or more than \$10,000, as determined in
25 the order authorizing their issuance. The revised law
26 omits that provision because it is superseded by
27 Section 1201.021(1), Government Code (enacted as
28 Section 3, Bond Procedures Act of 1981 (Article
29 717k-6, Vernon's Texas Civil Statutes)), which allows
30 a public security to be issued in any denomination.
31 Section 1201.021, Government Code, applies to district
32 bonds by application of Section 1201.002, Government
33 Code. The omitted law reads:

34 (B) . . . [Said bonds] shall be
35 issued in the denominations of not less than
36 One Hundred Dollars (\$100) nor more than Ten
37 Thousand Dollars (\$10,000), as determined
38 in the order authorizing their issuance,
39 and

40 (6) Section 4(B), Chapter 303, Acts of the 51st
41 Legislature, Regular Session, 1949, provides that

1 payment of principal of and interest on district bonds
2 may be made at the place or places determined by the
3 commissioners court in the order authorizing the
4 issuance of the bonds. The revised law omits that
5 provision because it is superseded by Section
6 1201.021(5)(C), Government Code (enacted as Section 3,
7 Bond Procedures Act of 1981 (Article 717k-6, Vernon's
8 Texas Civil Statutes)), which provides that a public
9 security may be payable at a specified place or places.
10 Section 1201.021 applies to district bonds by
11 application of Section 1201.002, Government Code. The
12 omitted law reads:

13 (B) . . . Payment of principal and
14 interest may be made at such place or places
15 as may be determined by the Commissioners
16 Court in the order authorizing the issuance
17 of such bonds.

18 Revisor's Note
19 (End of Chapter)

20 Section 6, Chapter 303, Acts of the 51st
21 Legislature, Regular Session, 1949, provides that the
22 provisions of the act are severable. The revised law
23 omits that provision because it duplicates Section
24 311.032, Government Code (Code Construction Act),
25 which provides that a provision of a statute is
26 severable from each other provision of the statute
27 that can be given effect. The omitted law reads:

28 Sec. 6. If any section, sentence,
29 phrase or clause, or any part of this Act
30 shall, for any reason, be held invalid, such
31 invalidity shall not affect the remaining
32 portions of this Act and it is hereby
33 declared to be the intention of this
34 Legislature to have passed each section,
35 sentence, phrase, clause and part hereof
36 irrespective of the fact that any other
37 section, sentence, phrase, clause or part
38 hereof may be declared invalid.

39 SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

40 CHAPTER 8215. JACKRABBIT ROAD PUBLIC UTILITY DISTRICT

41 SUBCHAPTER A. GENERAL PROVISIONS

42 Sec. 8215.001. DEFINITIONS 1310

1 Sec. 8215.002. NATURE OF DISTRICT 1310
2 Sec. 8215.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1311
3 Sec. 8215.004. DISTRICT TERRITORY 1312
4 [Sections 8215.005-8215.050 reserved for expansion]
5 SUBCHAPTER B. BOARD OF DIRECTORS
6 Sec. 8215.051. COMPOSITION OF BOARD 1314
7 [Sections 8215.052-8215.100 reserved for expansion]
8 SUBCHAPTER C. POWERS AND DUTIES
9 Sec. 8215.101. MUNICIPAL UTILITY DISTRICT POWERS 1316

10 CHAPTER 8215. JACKRABBIT ROAD PUBLIC UTILITY DISTRICT

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Revised Law

13 Sec. 8215.001. DEFINITIONS. In this chapter:

- 14 (1) "Board" means the district's board of directors.
- 15 (2) "Director" means a member of the board.
- 16 (3) "District" means the Jackrabbit Road Public

17 Utility District. (Acts 62nd Leg., R.S., Ch. 675, Sec. 1 (part);
18 New.)

19 Source Law

20 Sec. 1. . . . [a . . . district] . . . to be
21 known as "Jackrabbit Road Public Utility District,"
22 hereinafter called the "district,"

23 Revisor's Note

24 The definitions of "board" and "director" are
25 added to the revised law for drafting convenience and
26 to eliminate frequent, unnecessary repetition of the
27 substance of the definitions.

28 Revised Law

29 Sec. 8215.002. NATURE OF DISTRICT. The district is a
30 conservation and reclamation district in Harris County created
31 under Section 59, Article XVI, Texas Constitution. (Acts 62nd
32 Leg., R.S., Ch. 675, Sec. 1 (part).)

33 Source Law

34 Sec. 1. . . . there is hereby created and
35 established, under and pursuant to the provisions of
36 Article XVI, Section 59 of the Constitution of Texas, a
37 conservation and reclamation district in Harris

1 County, Texas, . . . which shall be a governmental
2 agency and a body politic and corporate. . . .

3 Revisor's Note

4 (1) Section 1, Chapter 675, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides that the
6 district is created notwithstanding certain laws
7 related to consent. The revised law omits that
8 provision as executed because the district has been
9 created. The omitted law reads:

10 Sec. 1. Notwithstanding provisions
11 of the general laws relating to consent by
12 political subdivisions for the creation of
13 conservation and reclamation districts,
14 [there is hereby created . . . a
15 conservation and reclamation district]
16

17 (2) Section 1, Chapter 675, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 district is "created and established." The revised
20 law omits "established" because the meaning of that
21 word is included in the meaning of "created."

22 (3) Section 1, Chapter 675, Acts of the 62nd
23 Legislature, Regular Session, 1971, refers to the
24 district as "a governmental agency and a body politic
25 and corporate." The revised law omits the quoted
26 language because it duplicates a portion of Section
27 59(b), Article XVI, Texas Constitution, which provides
28 that a conservation and reclamation district is a
29 governmental agency and a body politic and corporate.

30 Revised Law

31 Sec. 8215.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
32 The district is created to serve a public use and benefit.

33 (b) All land and other property included in the boundaries
34 of the district will benefit from the works and projects
35 accomplished by the district under the powers conferred by Section
36 59, Article XVI, Texas Constitution.

37 (c) The creation of the district is essential to accomplish
38 the purposes of Section 59, Article XVI, Texas Constitution. (Acts

1 62nd Leg., R.S., Ch. 675, Secs. 1 (part), 3.)

2 Source Law

3 Sec. 1. . . . The creation and establishment of
4 the district is hereby declared to be essential to the
5 accomplishment of the purposes of Article XVI, Section
6 59 of the Constitution of Texas.

7 Sec. 3. It is determined and found that all of
8 the land and other property included within the area
9 and boundaries of the district will be benefited by the
10 works and project which are to be accomplished by the
11 district pursuant to the powers conferred by the
12 provisions of Article XVI, Section 59 of the
13 Constitution of Texas, and that said district is
14 created to serve a public use and benefit.

15 Revisor's Note

16 (1) Section 1, Chapter 675, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides that the
18 "creation and establishment" of the district are
19 essential to accomplish the purposes of Section 59,
20 Article XVI, Texas Constitution. The revised law
21 omits "establishment" because its meaning is included
22 in the meaning of "creation."

23 (2) Section 3, Chapter 675, Acts of the 62nd
24 Legislature, Regular Session, 1971, refers to land and
25 other property included within the "area and
26 boundaries of the district." The revised law omits the
27 reference to "area" because, in context, "area" is
28 included in the meaning of "boundaries."

29 Revised Law

30 Sec. 8215.004. DISTRICT TERRITORY. (a) The district is
31 composed of the territory described by Section 4, Chapter 675, Acts
32 of the 62nd Legislature, Regular Session, 1971, as that territory
33 may have been modified under:

- 34 (1) Subchapter H, Chapter 54, Water Code;
35 (2) Subchapter J, Chapter 49, Water Code; or
36 (3) other law.

37 (b) The boundaries and field notes of the district form a
38 closure. A mistake in copying the field notes in the legislative
39 process or another mistake in the field notes does not affect:

1 (1) the district's organization, existence, or
2 validity;

3 (2) the district's right to issue any type of bonds for
4 a purpose for which the district is created or to pay the principal
5 of and interest on the bonds;

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 62nd Leg., R.S., Ch. 675, Sec. 2; New.)

9 Source Law

10 Sec. 2. It is determined and found that the
11 boundaries and field notes of the district form a
12 closure. If any mistake is made in copying the field
13 notes in the legislative process or otherwise a
14 mistake is made in the field notes, it shall in no way
15 affect the organization, existence and validity of the
16 district, or the right of the district to issue any
17 type of bonds or refunding bonds for the purposes for
18 which the district is created or to pay the principal
19 and interest thereon, or the right to assess, levy and
20 collect taxes, or in any other manner affect the
21 legality or operation of the district or its governing
22 body.

23 Revisor's Note

24 (1) The revision of the law governing the
25 district does not revise the statutory language
26 describing the territory of the district to avoid the
27 lengthy recitation of the description and because that
28 description may not be accurate on the effective date
29 of the revision or at the time of a later reading. For
30 the reader's convenience, the revised law includes
31 references to the statutory description of the
32 district's territory and to the authority to change the
33 district's territory under Subchapter H, Chapter 54,
34 Water Code, applicable to municipal utility districts,
35 and under Subchapter J, Chapter 49, Water Code,
36 applicable to the district under Sections 49.001 and
37 49.002 of that chapter. The revised law also includes
38 a reference to the general authority of the
39 legislature to enact a law to change the district's
40 territory.

1 (2) Section 2, Chapter 675, Acts of the 62nd
2 Legislature, Regular Session, 1971, provides that a
3 mistake in the description of the district boundaries
4 does not affect the right of the district to issue "any
5 type of bonds or refunding bonds." The revised law
6 omits the reference to "refunding bonds" because
7 refunding bonds are included in the meaning of "any
8 type of bonds."

9 (3) Section 2, Chapter 675, Acts of the 62nd
10 Legislature, Regular Session, 1971, refers to the
11 district's authority to "assess, levy and collect"
12 taxes. The revised law substitutes "impose" for
13 "assess, levy and collect" because "impose" is the
14 term generally used in Title 1, Tax Code, and includes
15 the assessment, levy, and collection of a tax.

16 [Sections 8215.005-8215.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Revised Law

19 Sec. 8215.051. COMPOSITION OF BOARD. The board of
20 directors is composed of five elected directors. (Acts 62nd Leg.,
21 R.S., Ch. 675, Sec. 6 (part).)

22 Source Law

23 Sec. 6. . . . Succeeding directors shall be
24 elected or

25 Revisor's Note

26 (1) Section 6, Chapter 675, Acts of the 62nd
27 Legislature, Regular Session, 1971, refers to the
28 initial board of directors and to vacancy procedures.
29 The revised law omits the language relating to the
30 creation of the initial board as executed. The revised
31 law omits the language relating to vacancy procedures
32 for the initial board as executed and, to the extent
33 the language may apply to subsequently appointed
34 directors, because it duplicates in substance Section
35 49.105(c), Water Code. That section applies to the

1 district under Sections 49.001 and 49.002, Water Code.

2 The omitted law reads:

3 Sec. 6. Immediately after this Act
4 becomes effective, the following named
5 persons shall be the directors of the
6 district and shall constitute the board of
7 directors of the district:

8 George O. Campbell, Jr.

9 Bette Daily

10 Larry Huse

11 Priscilla Martin

12 Yvonne Steely

13 Said persons shall qualify to serve as
14 directors prior to the first meeting of the
15 board of directors. Should any of the
16 above-named directors fail to qualify for
17 any reason, the remaining named directors
18 shall appoint someone to fill such vacancy
19 or vacancies; provided, however, that if at
20 any time the number of qualified directors
21 shall be less than three because of the
22 failure or refusal of one or more directors
23 to qualify or serve or because of his or
24 their death or incapacitation, or for any
25 such other reason, the Texas Water Rights
26 Commission shall appoint the necessary
27 number of directors to fill all vacancies on
28 the board. The directors above named or
29 their duly appointed and qualified
30 successor or successors shall serve until
31 the second Saturday in January, 1973. . . .

32 (2) Section 6, Chapter 675, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to
34 "[s]ucceeding directors" to distinguish the
35 succeeding directors from the initial directors named
36 in that section. The revised law substitutes "five"
37 for "succeeding" to conform to the number of directors
38 listed in Section 6 (establishing the initial board).

39 (3) Section 6, Chapter 675, Acts of the 62nd
40 Legislature, Regular Session, 1971, provides for
41 directors to be elected or appointed and to serve for
42 the term and in the manner provided by Chapter 54,
43 Water Code. Chapter 715, Acts of the 74th Legislature,
44 Regular Session, 1995, repealed the relevant
45 provisions of Chapter 54 and enacted similar
46 provisions in Chapter 49, Water Code, including
47 Section 49.103, which governs the terms of office and
48 manner of election of directors of a municipal utility

1 district that is required by law to elect its
2 directors. The revised law omits any reference to
3 Chapter 49, Water Code, because Chapter 49 applies to
4 the district under Sections 49.001 and 49.002 of that
5 chapter. The revised law also omits "appointed"
6 because it is clear from the context of Section 6 that
7 the reference applies only to directors appointed to
8 fill vacancies as provided by Chapter 49, Water Code.
9 The omitted law reads:

10 Sec. 6. . . . [Succeeding directors
11 shall be elected or] appointed and shall
12 serve for the term and in the manner
13 provided by Chapter 54, Title 4, Water Code.

14 [Sections 8215.052-8215.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Revised Law

17 Sec. 8215.101. MUNICIPAL UTILITY DISTRICT POWERS. The
18 district has the rights, powers, privileges, and functions
19 conferred by general law applicable to a municipal utility
20 district, including Chapters 49 and 54, Water Code. (Acts 62nd
21 Leg., R.S., Ch. 675, Sec. 5 (part); New.)

22 Source Law

23 Sec. 5. The district is hereby vested with, and
24 shall have and exercise, all of the rights, powers,
25 privileges, authority and functions conferred by the
26 general laws of this State applicable to municipal
27 utility districts, including without limitation those
28 conferred by Chapter 54, Title 4, Water Code, but
29

30 Revisor's Note

31 (1) Section 5, Chapter 675, Acts of the 62nd
32 Legislature, Regular Session, 1971, provides that the
33 district "is hereby vested with, and shall have and
34 exercise," certain powers. The revised law
35 substitutes "has" for the quoted language because, in
36 context, the terms are synonymous and "has" is more
37 commonly used.

38 (2) Section 5, Chapter 675, Acts of the 62nd
39 Legislature, Regular Session, 1971, refers to the

1 "rights, powers, privileges, [and] authority" of the
2 district. The revised law omits "authority" because,
3 in context, "authority" is included in the meaning of
4 "rights, powers, [and] privileges."

5 (3) Section 5, Chapter 675, Acts of the 62nd
6 Legislature, Regular Session, 1971, grants the
7 district certain powers, "including without
8 limitation" those conferred by Chapter 54, Water Code.
9 The revised law omits "without limitation" because
10 Section 311.005(13), Government Code (Code
11 Construction Act), provides that "includes" and
12 "including" are terms of enlargement and not of
13 limitation and do not create a presumption that
14 components not expressed are excluded.

15 (4) Section 5, Chapter 675, Acts of the 62nd
16 Legislature, Regular Session, 1971, refers to Chapter
17 54, Water Code. For the reader's convenience, the
18 revised law adds a reference to Chapter 49, Water Code,
19 because Chapter 715, Acts of the 74th Legislature,
20 Regular Session, 1995, repealed many provisions of
21 Chapter 54 and enacted similar provisions in Chapter
22 49, Water Code, which applies to the district under
23 Sections 49.001 and 49.002 of that chapter.

24 (5) Section 5, Chapter 675, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that the
26 act prevails over general law in case of a conflict or
27 other inconsistency and that all general laws
28 applicable to municipal utility districts and not in
29 conflict or inconsistent with the provisions of the
30 act are adopted and incorporated by reference. The
31 revised law omits the portion of the provision
32 relating to the act prevailing over general law
33 because it duplicates in substance Section 311.026(b),
34 Government Code (Code Construction Act). The revised

1 law omits the portion of the provision relating to
2 adoption and incorporation of general laws because
3 Section 5 of Chapter 675 (revised as this section)
4 already provides that those laws apply to the
5 district, and it is unnecessary to repeat that
6 authority. The omitted law reads:

7 Sec. 5. . . . if any provision of
8 such general laws shall be in conflict or
9 inconsistent with the provisions of this
10 Act, the provisions of this Act shall
11 prevail. All such general laws applicable
12 to municipal utility districts not in
13 conflict or inconsistent with the
14 provisions of this Act are hereby adopted
15 and incorporated by reference with the same
16 effect as if copied in full in this Act.

17 Revisor's Note
18 (End of Chapter)

19 (1) Section 7, Chapter 675, Acts of the 62nd
20 Legislature, Regular Session, 1971, contains
21 legislative findings relating to the performance of
22 the requirements of Section 59(d), Article XVI, Texas
23 Constitution, and to the authority of the legislature
24 to enact that chapter. The revised law omits the
25 provision as executed. The omitted law reads:

26 Sec. 7. The Legislature specifically
27 finds and declares that the requirements of
28 Article XVI, Section 59(d) of the
29 Constitution of Texas have been performed
30 and accomplished in due course and time and
31 order, and that the Legislature has the
32 power and authority to enact this Act.

33 (2) Section 8, Chapter 675, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that the
35 act is severable. The revised law omits that provision
36 because it duplicates Section 311.032, Government Code
37 (Code Construction Act), which provides that a
38 provision of a statute is severable from each other
39 provision of the statute that can be given effect. The
40 omitted law reads:

41 Sec. 8. If any word, phrase, clause,
42 paragraph, sentence, part, portion, or
43 provision of this Act or the application
44 thereof to any persons or circumstances

1 shall be held to be invalid or
2 unconstitutional, the remainder of the Act
3 shall nevertheless be valid and the
4 Legislature hereby declares that this Act
5 would have been enacted without such
6 invalid or unconstitutional word, phrase,
7 clause, paragraph, sentence, part, portion
8 or provision.

9 CHAPTER 8219. KLEIN PUBLIC UTILITY DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8219.001. DEFINITIONS 1319
12 Sec. 8219.002. NATURE OF DISTRICT 1319
13 Sec. 8219.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1320
14 Sec. 8219.004. DISTRICT TERRITORY 1321

15 [Sections 8219.005-8219.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Sec. 8219.051. COMPOSITION OF BOARD 1323

18 [Sections 8219.052-8219.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8219.101. MUNICIPAL UTILITY DISTRICT POWERS 1325

21 CHAPTER 8219. KLEIN PUBLIC UTILITY DISTRICT

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Revised Law

24 Sec. 8219.001. DEFINITIONS. In this chapter:

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

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

27 (3) "District" means the Klein Public Utility
28 District. (Acts 62nd Leg., R.S., Ch. 411, Sec. 1 (part); New.)

29 Source Law

30 Sec. 1. . . . [a . . . district] . . . to be
31 known as "Klein Public Utility District," hereinafter
32 called the "district,"

33 Revisor's Note

34 The definitions of "board" and "director" are
35 added to the revised law for drafting convenience and
36 to eliminate frequent, unnecessary repetition of the
37 substance of the definitions.

38 Revised Law

39 Sec. 8219.002. NATURE OF DISTRICT. The district is a

1 conservation and reclamation district in Harris County created
2 under Section 59, Article XVI, Texas Constitution. (Acts 62nd
3 Leg., R.S., Ch. 411, Sec. 1 (part).)

4 Source Law

5 Sec. 1. . . . there is hereby created and
6 established, under and pursuant to the provisions of
7 Article XVI, Section 59 of the Constitution of Texas, a
8 conservation and reclamation district in Harris
9 County, Texas, . . . which shall be a governmental
10 agency and a body politic and corporate. . . .

11 Revisor's Note

12 (1) Section 1, Chapter 411, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 district is created notwithstanding certain laws
15 related to consent. The revised law omits that
16 provision as executed because the district has been
17 created. The omitted law reads:

18 Sec. 1. Notwithstanding provisions
19 of the general laws relating to consent by
20 political subdivisions for the creation of
21 conservation and reclamation districts,
22 [there is hereby created . . . a
23 conservation and reclamation
24 district]

25 (2) Section 1, Chapter 411, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 district is "created and established." The revised
28 law omits "established" because the meaning of that
29 word is included in the meaning of "created."

30 (3) Section 1, Chapter 411, Acts of the 62nd
31 Legislature, Regular Session, 1971, refers to the
32 district as "a governmental agency and a body politic
33 and corporate." The revised law omits the quoted
34 language because it duplicates a portion of Section
35 59(b), Article XVI, Texas Constitution, which provides
36 that a conservation and reclamation district is a
37 governmental agency and a body politic and corporate.

38 Revised Law

39 Sec. 8219.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
40 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. (Acts
7 62nd Leg., R.S., Ch. 411, Secs. 1 (part), 3.)

8 Source Law

9 Sec. 1. . . . The creation and establishment of
10 the district is hereby declared to be essential to the
11 accomplishment of the purposes of Article XVI, Section
12 59 of the Constitution of Texas.

13 Sec. 3. It is determined and found that all of
14 the land and other property included within the area
15 and boundaries of the district will be benefited by the
16 works and project which are to be accomplished by the
17 district pursuant to the powers conferred by the
18 provisions of Article XVI, Section 59 of the
19 Constitution of Texas, and that said district is
20 created to serve a public use and benefit.

21 Revisor's Note

22 (1) Section 1, Chapter 411, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that the
24 "creation and establishment" of the district are
25 essential to accomplish the purposes of Section 59,
26 Article XVI, Texas Constitution. The revised law
27 omits "establishment" because its meaning is included
28 in the meaning of "creation."

29 (2) Section 3, Chapter 411, Acts of the 62nd
30 Legislature, Regular Session, 1971, refers to land and
31 other property included within the "area and
32 boundaries of the district." The revised law omits the
33 reference to "area" because, in context, "area" is
34 included in the meaning of "boundaries."

35 Revised Law

36 Sec. 8219.004. DISTRICT TERRITORY. (a) The district is
37 composed of the territory described by Section 4, Chapter 411, Acts
38 of the 62nd Legislature, Regular Session, 1971, as that territory
39 may have been modified under:

- 1 (1) Subchapter H, Chapter 54, Water Code;
- 2 (2) Subchapter J, Chapter 49, Water Code; or
- 3 (3) other law.

4 (b) The boundaries and field notes of the district form a
5 closure. A mistake in copying the field notes in the legislative
6 process or another mistake in the field notes does not affect:

7 (1) the district's organization, existence, or
8 validity;

9 (2) the district's right to issue any type of bond for
10 a purpose for which the district is created or to pay the principal
11 of and interest on the bond;

12 (3) the district's right to impose a tax; or

13 (4) the legality or operation of the district or its
14 governing body. (Acts 62nd Leg., R.S., Ch. 411, Sec. 2; New.)

15 Source Law

16 Sec. 2. It is determined and found that the
17 boundaries and field notes of the district form a
18 closure. If any mistake is made in copying the field
19 notes in the legislative process or otherwise a
20 mistake is made in the field notes, it shall in no way
21 affect the organization, existence and validity of the
22 district, or the right of the district to issue any
23 type of bonds or refunding bonds for the purposes for
24 which the district is created or to pay the principal
25 and interest thereon, or the right to assess, levy and
26 collect taxes, or in any other manner affect the
27 legality or operation of the district or its governing
28 body.

29 Revisor's Note

30 (1) The revision of the law governing the
31 district does not revise the statutory language
32 describing the territory of the district to avoid the
33 lengthy recitation of the description and because that
34 description may not be accurate on the effective date
35 of the revision or at the time of a later reading. For
36 the reader's convenience, the revised law includes
37 references to the statutory description of the
38 district's territory and to the authority to change the
39 district's territory under Subchapter H, Chapter 54,
40 Water Code, applicable to municipal utility districts,

1 and under Subchapter J, Chapter 49, Water Code,
2 applicable to the district under Sections 49.001 and
3 49.002 of that chapter. The revised law also includes
4 a reference to the general authority of the
5 legislature to enact a law to change the district's
6 territory.

7 (2) Section 2, Chapter 411, Acts of the 62nd
8 Legislature, Regular Session, 1971, provides that a
9 mistake in the description of the district boundaries
10 does not affect the right of the district to issue "any
11 type of bonds or refunding bonds." The revised law
12 omits the reference to "refunding bonds" because
13 refunding bonds are included in the meaning of "any
14 type of bonds."

15 (3) Section 2, Chapter 411, Acts of the 62nd
16 Legislature, Regular Session, 1971, refers to the
17 district's authority to "assess, levy and collect"
18 taxes. The revised law substitutes "impose" for
19 "assess, levy and collect" because "impose" is the
20 term generally used in Title 1, Tax Code, and includes
21 the assessment, levy, and collection of a tax.

22 [Sections 8219.005-8219.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Revised Law

25 Sec. 8219.051. COMPOSITION OF BOARD. The board of
26 directors is composed of five elected directors. (Acts 62nd Leg.,
27 R.S., Ch. 411, Sec. 6 (part).)

28 Source Law

29 Sec. 6. . . . the board of directors of the
30 district . . . Succeeding directors shall be elected
31 or

32 Revisor's Note

33 (1) Section 6, Chapter 411, Acts of the 62nd
34 Legislature, Regular Session, 1971, refers to the
35 initial board of directors and to vacancy procedures.

1 The revised law omits the language relating to the
2 creation of the initial board as executed. The revised
3 law omits the language relating to vacancy procedures
4 for the initial board as executed and, to the extent
5 the language may apply to subsequently appointed
6 directors, because it duplicates in substance Section
7 49.105(c), Water Code. That section applies to the
8 district under Sections 49.001 and 49.002, Water Code.
9 The omitted law reads:

10 Sec. 6. Immediately after this Act
11 becomes effective, the following named
12 persons shall be the directors of the
13 district and shall constitute [the board of
14 directors of the district]:

15 Paul A. Lewis
16 Arthur L. Schechter
17 Stephen Friedman
18 Lester Kamin
19 Gayle L. Schroder

20 Said persons shall qualify to serve as
21 directors prior to the first meeting of the
22 board of directors. Should any of the above
23 named directors fail to qualify for any
24 reason, the remaining named directors shall
25 appoint someone to fill such vacancy or
26 vacancies; provided, however, that if at
27 any time the number of qualified directors
28 shall be less than three because of the
29 failure or refusal of one or more directors
30 to qualify or serve or because of his or
31 their death or incapacitation, or for any
32 such other reason, the Texas Water Rights
33 Commission shall appoint the necessary
34 number of directors to fill all vacancies on
35 the board. The directors above named or
36 their duly appointed and qualified
37 successor or successors shall serve until
38 the second Saturday in January, 1973. . . .

39 (2) Section 6, Chapter 411, Acts of the 62nd
40 Legislature, Regular Session, 1971, refers to
41 "[s]ucceeding directors" to distinguish the
42 succeeding directors from the initial directors named
43 in that section. The revised law substitutes "five"
44 for "succeeding" to conform to the number of directors
45 listed in Section 6 (establishing the initial board).

46 (3) Section 6, Chapter 411, Acts of the 62nd
47 Legislature, Regular Session, 1971, provides for
48 directors to be elected or appointed and to serve for

1 the term and in the manner provided by Chapter 54,
2 Water Code. Chapter 715, Acts of the 74th Legislature,
3 Regular Session, 1995, repealed the relevant
4 provisions of Chapter 54 and enacted similar
5 provisions in Chapter 49, Water Code, including
6 Section 49.103, which governs the terms of office and
7 manner of election of directors of a municipal utility
8 district that is required by law to elect its
9 directors. The revised law omits any reference to
10 Chapter 49, Water Code, because Chapter 49 applies to
11 the district under Sections 49.001 and 49.002 of that
12 chapter. The revised law also omits "appointed"
13 because it is clear from the context of Section 6 that
14 the reference applies only to directors appointed to
15 fill vacancies as provided by Chapter 49, Water Code.
16 The omitted law reads:

17 Sec. 6. . . . [Succeeding directors
18 shall be elected or] appointed and shall
19 serve for the term and in the manner
20 provided by Chapter 54, Title 4, Water Code.

21 [Sections 8219.052-8219.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Revised Law

24 Sec. 8219.101. MUNICIPAL UTILITY DISTRICT POWERS. The
25 district has the rights, powers, privileges, and functions
26 conferred by general law applicable to a municipal utility
27 district, including Chapters 49 and 54, Water Code. (Acts 62nd
28 Leg., R.S., Ch. 411, Sec. 5 (part); New.)

29 Source Law

30 Sec. 5. The district is hereby vested with, and
31 shall have and exercise, all of the rights, powers,
32 privileges, authority and functions conferred by the
33 general laws of this state applicable to municipal
34 utility districts, including without limitation those
35 conferred by Chapter 54, Title 4, Water Code,
36 but

37 Revisor's Note

38 (1) Section 5, Chapter 411, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides that the

1 district "is hereby vested with, and shall have and
2 exercise" certain powers. The revised law substitutes
3 "has" for the quoted language because, in context, the
4 terms are synonymous and "has" is more commonly used.

5 (2) Section 5, Chapter 411, Acts of the 62nd
6 Legislature, Regular Session, 1971, refers to the
7 "rights, powers, privileges, [and] authority" of the
8 district. The revised law omits "authority" because,
9 in context, "authority" is included in the meaning of
10 "rights, powers, [and] privileges."

11 (3) Section 5, Chapter 411, Acts of the 62nd
12 Legislature, Regular Session, 1971, grants the
13 district certain powers, "including without
14 limitation those conferred by Chapter 54, Title 4,
15 Water Code." The revised law omits "without
16 limitation" because Section 311.005(13), Government
17 Code (Code Construction Act), provides that "includes"
18 and "including" are terms of enlargement and not of
19 limitation and do not create a presumption that
20 components not expressed are excluded.

21 (4) Section 5, Chapter 411, Acts of the 62nd
22 Legislature, Regular Session, 1971, refers to Chapter
23 54, Water Code. For the reader's convenience, the
24 revised law adds a reference to Chapter 49, Water Code,
25 because Chapter 715, Acts of the 74th Legislature,
26 Regular Session, 1995, repealed many provisions of
27 Chapter 54 and enacted similar provisions in Chapter
28 49, Water Code, which applies to the district under
29 Sections 49.001 and 49.002 of that chapter.

30 (5) Section 5, Chapter 411, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 act prevails over general law in case of a conflict or
33 other inconsistency and that all general laws
34 applicable to municipal utility districts not in

1 conflict or inconsistent with the provisions of the
2 act are adopted and incorporated by reference. The
3 revised law omits the portion of the provision
4 relating to the act prevailing over general law
5 because it duplicates in substance Section 311.026(b),
6 Government Code (Code Construction Act). The revised
7 law omits the portion of the provision relating to
8 adoption and incorporation of general laws because
9 Section 5 of Chapter 411 (revised as this section)
10 already provides that those laws apply to the
11 district, and it is unnecessary to repeat that
12 authority. The omitted law reads:

13 Sec. 5. . . . if any provision of
14 such general laws shall be in conflict or
15 inconsistent with the provisions of this
16 Act, the provisions of this Act shall
17 prevail. All such general laws applicable
18 to municipal utility districts not in
19 conflict or inconsistent with the
20 provisions of this Act are hereby adopted
21 and incorporated by reference with the same
22 effect as if copied in full in this Act.

23 Revisor's Note
24 (End of Chapter)

25 (1) Section 7, Chapter 411, Acts of the 62nd
26 Legislature, Regular Session, 1971, contains
27 legislative findings relating to the performance of
28 the requirements of Section 59(d), Article XVI, Texas
29 Constitution, and to the authority of the legislature
30 to enact that chapter. The revised law omits that
31 provision as executed. The omitted law reads:

32 Sec. 7. The Legislature specifically
33 finds and declares that the requirements of
34 Article XVI, Section 59(d) of the
35 Constitution of Texas have been performed
36 and accomplished in due course and time and
37 order, and that the Legislature has the
38 power and authority to enact this Act.

39 (2) Section 8, Chapter 411, Acts of the 62nd
40 Legislature, Regular Session, 1971, provides that the
41 act is severable. The revised law omits that provision
42 because it duplicates Section 311.032, Government Code

1 (Code Construction Act), which provides that a
2 provision of a statute is severable from each other
3 provision of the statute that can be given effect. The
4 omitted law reads:

5 Sec. 8. If any word, phrase, clause,
6 paragraph, sentence, part, portion or
7 provision of this Act or the application
8 thereof to any persons or circumstances
9 shall be held to be invalid or
10 unconstitutional, the remainder of the Act
11 shall nevertheless be valid and the
12 Legislature hereby declares that this Act
13 would have been enacted without such
14 invalid or unconstitutional word, phrase,
15 clause, paragraph, sentence, part, portion
16 or provision.

17 CHAPTER 8220. LAKE FOREST UTILITY

18 DISTRICT

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 8220.001. DEFINITIONS 1328
21 Sec. 8220.002. NATURE OF DISTRICT 1329
22 Sec. 8220.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1330
23 Sec. 8220.004. DISTRICT TERRITORY 1331

24 [Sections 8220.005-8220.050 reserved for expansion]

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 8220.051. COMPOSITION OF BOARD 1332

27 [Sections 8220.052-8220.100 reserved for expansion]

28 SUBCHAPTER C. POWERS AND DUTIES

29 Sec. 8220.101. MUNICIPAL UTILITY DISTRICT POWERS 1334

30 CHAPTER 8220. LAKE FOREST UTILITY

31 DISTRICT

32 SUBCHAPTER A. GENERAL PROVISIONS

33 Revised Law

34 Sec. 8220.001. DEFINITIONS. In this chapter:

- 35 (1) "Board" means the district's board of directors.
36 (2) "Director" means a member of the board.
37 (3) "District" means the Lake Forest Utility District.

38 (Acts 62nd Leg., R.S., Ch. 579, Sec. 1 (part); New.)

39 Source Law

40 Sec. 1. . . . [a . . . district] . . . to be

1 known as Lake Forest Utility District, hereinafter
2 called the "district,"

3 Revisor's Note

4 The definitions of "board" and "director" are
5 added to the revised law for drafting convenience and
6 to eliminate frequent, unnecessary repetition of the
7 substance of the definitions.

8 Revised Law

9 Sec. 8220.002. NATURE OF DISTRICT. The district is a
10 conservation and reclamation district in Harris County created
11 under Section 59, Article XVI, Texas Constitution. (Acts 62nd
12 Leg., R.S., Ch. 579, Sec. 1 (part).)

13 Source Law

14 Sec. 1. . . . there is hereby created and
15 established, under and pursuant to the provisions of
16 Article XVI, Section 59 of the Constitution of Texas, a
17 conservation and reclamation district in Harris
18 County, Texas, . . . which shall be a governmental
19 agency and a body politic and corporate. . . .

20 Revisor's Note

21 (1) Section 1, Chapter 579, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that the
23 district is created notwithstanding certain laws
24 related to consent. The revised law omits that
25 provision as executed because the district has been
26 created. The omitted law reads:

27 Sec. 1. Notwithstanding provisions
28 of the general laws relating to consent by
29 political subdivisions for the creation of
30 conservation and reclamation districts,
31 [there is hereby created . . . a
32 conservation and reclamation
33 district]

34 (2) Section 1, Chapter 579, Acts of the 62nd
35 Legislature, Regular Session, 1971, provides that the
36 district is "created and established." The revised
37 law omits "established" because the meaning of that
38 word is included in the meaning of "created."

39 (3) Section 1, Chapter 579, Acts of the 62nd
40 Legislature, Regular Session, 1971, refers to the
41 district as "a governmental agency and a body politic

1 and corporate." The revised law omits the quoted
2 language because it duplicates a portion of Section
3 59(b), Article XVI, Texas Constitution, which provides
4 that a conservation and reclamation district is a
5 governmental agency and a body politic and corporate.

6 Revised Law

7 Sec. 8220.003. 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. (Acts
15 62nd Leg., R.S., Ch. 579, Secs. 1 (part), 3.)

16 Source Law

17 Sec. 1. . . . The creation and establishment of
18 the district is hereby declared to be essential to the
19 accomplishment of the purposes of Article XVI, Section
20 59 of the Constitution of Texas.

21 Sec. 3. It is determined and found that all of
22 the land and other property included within the area
23 and boundaries of the district will be benefited by the
24 works and project which are to be accomplished by the
25 district pursuant to the powers conferred by the
26 provisions of Article XVI, Section 59 of the
27 Constitution of Texas, and that said district is
28 created to serve a public use and benefit.

29 Revisor's Note

30 (1) Section 1, Chapter 579, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 "creation and establishment" of the district are
33 essential to accomplish the purposes of Section 59,
34 Article XVI, Texas Constitution. The revised law
35 omits "establishment" because its meaning is included
36 in the meaning of "creation."

37 (2) Section 3, Chapter 579, Acts of the 62nd
38 Legislature, Regular Session, 1971, refers to land and
39 other property included within the "area and

1 boundaries of the district." The revised law omits the
2 reference to "area" because, in context, "area" is
3 included in the meaning of "boundaries."

4 Revised Law

5 Sec. 8220.004. DISTRICT TERRITORY. (a) The district is
6 composed of the territory described by Section 4, Chapter 579, Acts
7 of the 62nd Legislature, Regular Session, 1971, 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 copying the field notes in the legislative
14 process or another mistake in the field notes does not affect:

15 (1) the district's organization, existence, or
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 62nd Leg., R.S., Ch. 579, Sec. 2; New.)

23 Source Law

24 Sec. 2. It is determined and found that the
25 boundaries and field notes of the district form a
26 closure. If any mistake is made in copying the field
27 notes in the legislative process or otherwise a
28 mistake is made in the field notes, it shall in no way
29 affect the organization, existence and validity of the
30 district, or the right of the district to issue any
31 type of bonds or refunding bonds for the purpose for
32 which the district is created or to pay the principal
33 and interest thereon, or the right to assess, levy and
34 collect taxes, or in any other manner affect the
35 legality or operation of the district or its governing
36 body.

37 Revisor's Note

38 (1) The revision of the law governing the
39 district does not revise the statutory language
40 describing the territory of the district to avoid the

1 lengthy recitation of the description and because that
2 description may not be accurate on the effective date
3 of the revision or at the time of a later reading. For
4 the reader's convenience, the revised law includes
5 references to the statutory description of the
6 district's territory and to the authority to change the
7 district's territory under Subchapter H, Chapter 54,
8 Water Code, applicable to municipal utility districts,
9 and under Subchapter J, Chapter 49, Water Code,
10 applicable to the district under Sections 49.001 and
11 49.002 of that chapter. The revised law also includes
12 a reference to the general authority of the
13 legislature to enact a law to change the district's
14 territory.

15 (2) Section 2, Chapter 579, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that a
17 mistake in the description of the district boundaries
18 does not affect the right of the district to issue "any
19 type of bonds or refunding bonds." The revised law
20 omits the reference to "refunding bonds" because
21 refunding bonds are included in the meaning of "any
22 type of bonds."

23 (3) Section 2, Chapter 579, Acts of the 62nd
24 Legislature, Regular Session, 1971, refers to the
25 district's authority to "assess, levy and collect"
26 taxes. The revised law substitutes "impose" for
27 "assess, levy and collect" because "impose" is the
28 term generally used in Title 1, Tax Code, and includes
29 the assessment, levy, and collection of a tax.

30 [Sections 8220.005-8220.050 reserved for expansion]

31 SUBCHAPTER B. BOARD OF DIRECTORS

32 Revised Law

33 Sec. 8220.051. COMPOSITION OF BOARD. The board of
34 directors is composed of five elected directors. (Acts 62nd Leg.,

1 R.S., Ch. 579, Sec. 6 (part).)

2 Source Law

3 Sec. 6. . . . the board of directors of the
4 district . . . Succeeding directors shall be elected
5 or

6 Revisor's Note

7 (1) Section 6, Chapter 579, Acts of the 62nd
8 Legislature, Regular Session, 1971, refers to the
9 initial board of directors and to vacancy procedures.
10 The revised law omits the language relating to the
11 creation of the initial board as executed. The revised
12 law omits the language relating to vacancy procedures
13 for the initial board as executed and, to the extent
14 the language may apply to subsequently appointed
15 directors, because it duplicates in substance Section
16 49.105(c), Water Code. That section applies to the
17 district under Sections 49.001 and 49.002, Water Code.
18 The omitted law reads:

19 Sec. 6. Immediately after this Act
20 becomes effective, the following named
21 persons shall be the directors of the
22 district and shall constitute [the board of
23 directors of the district]:

- 24 B. R. Tempel
- 25 E. J. Corolla, Jr.
- 26 William A. Carey
- 27 Louise Carey
- 28 Donald Quinn

29 Said persons shall qualify to serve as
30 directors prior to the first meeting of the
31 board of directors. Should any of the above
32 named directors fail to qualify for any
33 reason, the remaining named directors shall
34 appoint someone to fill such vacancy or
35 vacancies; provided, however, that if at
36 any time the number of qualified directors
37 shall be less than three because of the
38 failure or refusal of one or more directors
39 to qualify or serve or because of his or
40 their death or incapacitation, or for any
41 such other reason, the Texas Water Rights
42 Commission shall appoint the necessary
43 number of directors to fill all vacancies on
44 the board. The directors above named or
45 their duly appointed and qualified
46 successor or successors shall serve until
47 the second Saturday in January, 1973. . . .

48 (2) Section 6, Chapter 579, Acts of the 62nd
49 Legislature, Regular Session, 1971, refers to

1 "[s]ucceeding directors" to distinguish the
2 succeeding directors from the initial directors named
3 in that section. The revised law substitutes "five"
4 for "succeeding" to conform to the number of directors
5 listed in Section 6 (establishing the initial board).

6 (3) Section 6, Chapter 579, Acts of the 62nd
7 Legislature, Regular Session, 1971, provides for
8 directors to be elected or appointed and to serve for
9 the term and in the manner provided by Chapter 54,
10 Water Code, for directors first elected. Chapter 715,
11 Acts of the 74th Legislature, Regular Session, 1995,
12 repealed the relevant provisions of Chapter 54 and
13 enacted similar provisions in Chapter 49, Water Code,
14 including Section 49.103, which governs the terms of
15 office and manner of election of directors of a
16 municipal utility district that is required by law to
17 elect its directors. The revised law omits any
18 reference to Chapter 49, Water Code, because Chapter
19 49 applies to the district under Sections 49.001 and
20 49.002 of that chapter. The revised law also omits
21 "appointed" because it is clear from the context of
22 Section 6 that the reference applies only to directors
23 appointed to fill vacancies as provided by Chapter 49,
24 Water Code. The omitted law reads:

25 Sec. 6. . . . [Succeeding directors
26 shall be elected or] appointed and shall
27 serve for the term and in the manner
28 provided by Chapter 54, Title 4, Water Code,
29 for directors first elected.

30 [Sections 8220.052-8220.100 reserved for expansion]

31 SUBCHAPTER C. POWERS AND DUTIES

32 Revised Law

33 Sec. 8220.101. MUNICIPAL UTILITY DISTRICT POWERS. The
34 district has the rights, powers, privileges, and functions
35 conferred by general law applicable to a municipal utility
36 district, including Chapters 49 and 54, Water Code. (Acts 62nd

1 Leg., R.S., Ch. 579, Sec. 5 (part); New.)

2 Source Law

3 Sec. 5. The district is hereby vested with, and
4 shall have and exercise, all of the rights, powers,
5 privileges, authority and functions conferred by the
6 general laws of this state applicable to municipal
7 utility districts, including without limitation those
8 conferred by Chapter 54, Title 4, Water Code,
9 but

10 Revisor's Note

11 (1) Section 5, Chapter 579, Acts of the 62nd
12 Legislature, Regular Session, 1971, provides that the
13 district "is hereby vested with, and shall have and
14 exercise" certain powers. The revised law substitutes
15 "has" for the quoted language because, in context, the
16 terms are synonymous and "has" is more commonly used.

17 (2) Section 5, Chapter 579, Acts of the 62nd
18 Legislature, Regular Session, 1971, refers to the
19 "rights, powers, privileges, [and] authority" of the
20 district. The revised law omits "authority" because,
21 in context, "authority" is included in the meaning of
22 "rights, powers, [and] privileges."

23 (3) Section 5, Chapter 579, Acts of the 62nd
24 Legislature, Regular Session, 1971, grants the
25 district certain powers, "including without
26 limitation those conferred by Chapter 54, Title 4,
27 Water Code." The revised law omits "without
28 limitation" because Section 311.005(13), Government
29 Code (Code Construction Act), provides that "includes"
30 and "including" are terms of enlargement and not of
31 limitation and do not create a presumption that
32 components not expressed are excluded.

33 (4) Section 5, Chapter 579, Acts of the 62nd
34 Legislature, Regular Session, 1971, refers to Chapter
35 54, Water Code. For the reader's convenience, the
36 revised law adds a reference to Chapter 49, Water Code,
37 because Chapter 715, Acts of the 74th Legislature,

1 Regular Session, 1995, repealed many provisions of
2 Chapter 54 and enacted similar provisions in Chapter
3 49, Water Code, which applies to the district under
4 Sections 49.001 and 49.002 of that chapter.

5 (5) Section 5, Chapter 579, Acts of the 62nd
6 Legislature, Regular Session, 1971, provides that the
7 act prevails over general law in case of a conflict or
8 other inconsistency and that all general laws
9 applicable to municipal utility districts not in
10 conflict or inconsistent with the provisions of the
11 act are adopted and incorporated by reference. The
12 revised law omits the portion of the provision
13 relating to the act prevailing over general law
14 because it duplicates in substance Section 311.026(b),
15 Government Code (Code Construction Act). The revised
16 law omits the portion of the provision relating to
17 adoption and incorporation of general laws because
18 Section 5 of Chapter 579 (revised as this section)
19 already provides that those laws apply to the
20 district, and it is unnecessary to repeat that
21 authority. The omitted law reads:

22 Sec. 5. . . . if any provision of
23 such general laws shall be in conflict or
24 inconsistent with the provisions of this
25 Act, the provisions of this Act shall
26 prevail. All such general laws applicable
27 to municipal utility districts not in
28 conflict or inconsistent with the
29 provisions of this Act are hereby adopted
30 and incorporated by reference with the same
31 effect as if copied in full in this Act.

32 Revisor's Note
33 (End of Chapter)

34 (1) Section 7, Chapter 579, Acts of the 62nd
35 Legislature, Regular Session, 1971, contains
36 legislative findings relating to the performance of
37 the requirements of Section 59(d), Article XVI, Texas
38 Constitution, and to the authority of the legislature
39 to enact that chapter. The revised law omits that

1 provision as executed. The omitted law reads:

2 Sec. 7. The Legislature specifically
3 finds and declares that the requirements of
4 Article XVI, Section 59(d) of the
5 Constitution of Texas have been performed
6 and accomplished in due course and time and
7 order, and that the Legislature has the
8 power and authority to enact this Act.

9 (2) Section 8, Chapter 579, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that the
11 act is severable. The revised law omits that provision
12 because it duplicates Section 311.032, Government Code
13 (Code Construction Act), which provides that a
14 provision of a statute is severable from each other
15 provision of the statute that can be given effect. The
16 omitted law reads:

17 Sec. 8. If any word, phrase, clause,
18 paragraph, sentence, part, portion, or
19 provision of this Act or the application
20 thereof to any person or circumstance shall
21 be held to be invalid or unconstitutional,
22 the remainder of this Act shall
23 nevertheless be valid and the Legislature
24 hereby declares that this Act would have
25 been enacted without such invalid or
26 unconstitutional word, phrase, clause,
27 paragraph, sentence, part, portion, or
28 provision.

29 CHAPTER 8229. LUCE BAYOU PUBLIC UTILITY DISTRICT

30 SUBCHAPTER A. GENERAL PROVISIONS

31 Sec. 8229.001. DEFINITIONS 1338
32 Sec. 8229.002. NATURE OF DISTRICT 1338
33 Sec. 8229.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1339
34 Sec. 8229.004. DISTRICT TERRITORY 1340

35 [Sections 8229.005-8229.050 reserved for expansion]

36 SUBCHAPTER B. BOARD OF DIRECTORS

37 Sec. 8229.051. COMPOSITION OF BOARD 1342

38 [Sections 8229.052-8229.100 reserved for expansion]

39 SUBCHAPTER C. POWERS AND DUTIES

40 Sec. 8229.101. MUNICIPAL UTILITY DISTRICT POWERS 1344

41 CHAPTER 8229. LUCE BAYOU PUBLIC UTILITY DISTRICT

42 SUBCHAPTER A. GENERAL PROVISIONS

1 Revised Law

2 Sec. 8229.001. DEFINITIONS. In this chapter:

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

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

5 (3) "District" means the Luce Bayou Public Utility
6 District. (Acts 62nd Leg., R.S., Ch. 554, Sec. 1 (part); New.)

7 Source Law

8 Sec. 1. . . . [a . . . district] . . . to be
9 known as "Luce Bayou Public Utility District,"
10 hereinafter called the "district,"

11 Revisor's Note

12 The definitions of "board" and "director" are
13 added to the revised law for drafting convenience and
14 to eliminate frequent, unnecessary repetition of the
15 substance of the definitions.

16 Revised Law

17 Sec. 8229.002. 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 62nd Leg.,
20 R.S., Ch. 554, Sec. 1 (part).)

21 Source Law

22 Sec. 1. . . . there is hereby created and
23 established, under and pursuant to the provisions of
24 Article XVI, Section 59 of the Constitution of Texas, a
25 conservation and reclamation district in Harris
26 County, Texas, . . . which shall be a governmental
27 agency and a body politic and corporate. . . .

28 Revisor's Note

29 (1) Section 1, Chapter 554, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 district is "created and established." The revised
32 law omits "established" because the meaning of that
33 word is included in the meaning of "created."

34 (2) Section 1, Chapter 554, Acts of the 62nd
35 Legislature, Regular Session, 1971, provides that the
36 district is created notwithstanding certain laws
37 relating to consent. The revised law omits that
38 provision as executed because the district has been

1 created. The omitted law reads:

2 Sec. 1. Notwithstanding provisions
3 of the general laws relating to consent by
4 political subdivisions for the creation of
5 conservation and reclamation districts,
6 [there is hereby created . . . a
7 conservation and reclamation district]
8

9 (3) Section 1, Chapter 554, Acts of the 62nd
10 Legislature, Regular Session, 1971, refers to the
11 district as "a governmental agency and a body politic
12 and corporate." The revised law omits the quoted
13 language because it duplicates a portion of Section
14 59(b), Article XVI, Texas Constitution, which provides
15 that a conservation and reclamation district is a
16 governmental agency and a body politic and corporate.

17 Revised Law

18 Sec. 8229.003. 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. (Acts
26 62nd Leg., R.S., Ch. 554, Secs. 1 (part), 3.)

27 Source Law

28 Sec. 1. . . . The creation and establishment of
29 the district is hereby declared to be essential to the
30 accomplishment of the purposes of Article XVI, Section
31 59 of the Constitution of Texas.

32 Sec. 3. It is determined and found that all of
33 the land and other property included within the area
34 and boundaries of the district will be benefited by the
35 works and project which are to be accomplished by the
36 district pursuant to the powers conferred by the
37 provisions of Article XVI, Section 59 of the
38 Constitution of Texas, and that said district is
39 created to serve a public use and benefit.

40 Revisor's Note

41 (1) Section 1, Chapter 554, Acts of the 62nd
42 Legislature, Regular Session, 1971, provides that the

1 "creation and establishment" of the district are
2 essential to accomplish the purposes of Section 59,
3 Article XVI, Texas Constitution. The revised law
4 omits "establishment" because its meaning is included
5 in the meaning of "creation."

6 (2) Section 3, Chapter 554, Acts of the 62nd
7 Legislature, Regular Session, 1971, refers to land and
8 other property included within the "area and
9 boundaries of the district." The revised law omits the
10 reference to "area" because, in context, "area" is
11 included in the meaning of "boundaries."

12 Revised Law

13 Sec. 8229.004. DISTRICT TERRITORY. (a) The district is
14 composed of the territory described by Section 4, Chapter 554, Acts
15 of the 62nd Legislature, Regular Session, 1971, as that territory
16 may have been modified under:

- 17 (1) Subchapter H, Chapter 54, Water Code;
18 (2) Subchapter J, Chapter 49, Water Code; or
19 (3) other law.

20 (b) The boundaries and field notes of the district form a
21 closure. A mistake in copying the field notes in the legislative
22 process or another mistake in the field notes does not affect:

- 23 (1) the district's organization, existence, or
24 validity;
25 (2) the district's right to issue any type of bond for
26 a purpose for which the district is created or to pay the principal
27 of and interest on the bond;
28 (3) the district's right to impose a tax; or
29 (4) the legality or operation of the district or its
30 governing body. (Acts 62nd Leg., R.S., Ch. 554, Sec. 2; New.)

31 Source Law

32 Sec. 2. It is determined and found that the
33 boundaries and field notes of the district form a
34 closure. If any mistake is made in copying the field
35 notes in the legislative process or otherwise a
36 mistake is made in the field notes, it shall in no way
37 affect the organization, existence and validity of the

1 district, or the right of the district to issue any
2 type of bonds or refunding bonds for the purposes for
3 which the district is created or to pay the principal
4 and interest thereon, or the right to assess, levy and
5 collect taxes, or in any other manner affect the
6 legality or operation of the district or its governing
7 body.

8 Revisor's Note

9 (1) The revision of the law governing the
10 district does not revise the statutory language
11 describing the territory of the district to avoid the
12 lengthy recitation of the description and because that
13 description may not be accurate on the effective date
14 of the revision or at the time of a later reading. For
15 the reader's convenience, the revised law includes
16 references to the statutory description of the
17 district's territory and to the authority to change the
18 district's territory under Subchapter H, Chapter 54,
19 Water Code, applicable to municipal utility districts,
20 and under Subchapter J, Chapter 49, Water Code,
21 applicable to the district under Sections 49.001 and
22 49.002 of that chapter. The revised law also includes
23 a reference to the general authority of the
24 legislature to enact a law to change the district's
25 territory.

26 (2) Section 2, Chapter 554, Acts of the 62nd
27 Legislature, Regular Session, 1971, provides that a
28 mistake in the description of the district boundaries
29 does not affect the right of the district to issue "any
30 type of bonds or refunding bonds." The revised law
31 omits the reference to "refunding bonds" because
32 refunding bonds are included in the meaning of "any
33 type of bonds."

34 (3) Section 2, Chapter 554, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to the
36 district's authority to "assess, levy and collect"
37 taxes. The revised law substitutes "impose" for
38 "assess, levy and collect" because "impose" is the

1 term generally used in Title 1, Tax Code, and includes
2 the assessment, levy, and collection of a tax.

3 [Sections 8229.005-8229.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Revised Law

6 Sec. 8229.051. COMPOSITION OF BOARD. The board of
7 directors is composed of five elected directors. (Acts 62nd Leg.,
8 R.S., Ch. 554, Sec. 6 (part).)

9 Source Law

10 Sec. 6. . . . Succeeding directors shall be
11 elected or

12 Revisor's Note

13 (1) Section 6, Chapter 554, Acts of the 62nd
14 Legislature, Regular Session, 1971, refers to the
15 initial board of directors and to vacancy procedures.
16 The revised law omits the language relating to the
17 creation of the initial board as executed. The revised
18 law omits the language relating to vacancy procedures
19 for the initial board as executed and, to the extent
20 the language may apply to subsequently appointed
21 directors, because it duplicates in substance Section
22 49.105(c), Water Code. That section applies to the
23 district under Sections 49.001 and 49.002, Water Code.
24 The omitted law reads:

25 Sec. 6. Immediately after this Act
26 becomes effective, the following named
27 persons shall be the directors of the
28 district and shall constitute the board of
29 directors of the district:

30 J. K. Lyles
31 Don V. Brelsford
32 Luther Martin
33 J. T. Williams
34 L. L. Neuhaus

35 Said persons shall qualify to serve as
36 directors prior to the first meeting of the
37 board of directors. Should any of the above
38 named directors fail to qualify for any
39 reason, the remaining named directors shall
40 appoint someone to fill such vacancy or
41 vacancies; provided, however, that if at
42 any time the number of qualified directors
43 shall be less than three because of the
44 failure or refusal of one or more directors
45 to qualify or serve or because of his or

1 their death or incapacitation, or for any
2 such other reason, the Texas Water Rights
3 Commission shall appoint the necessary
4 number of directors to fill all vacancies on
5 the board. The directors above named or
6 their duly appointed and qualified
7 successor or successors shall serve until
8 the second Saturday in January, 1973. . . .

9 (2) Section 6, Chapter 554, Acts of the 62nd
10 Legislature, Regular Session, 1971, refers to
11 "[s]ucceeding directors" to distinguish the
12 succeeding directors from the initial directors named
13 in that section. The revised law substitutes "five"
14 for "succeeding" to conform to the number of directors
15 listed in Section 6 (establishing the initial board).

16 (3) Section 6, Chapter 554, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides for
18 directors to be elected or appointed and to serve for
19 the term and in the manner provided by Chapter 54,
20 Water Code. Chapter 715, Acts of the 74th Legislature,
21 Regular Session, 1995, repealed the relevant
22 provisions of Chapter 54 and enacted similar
23 provisions in Chapter 49, Water Code, including
24 Section 49.103, which governs the terms of office and
25 manner of election of directors of a municipal utility
26 district that is required by law to elect its
27 directors. The revised law omits any reference to
28 Chapter 49, Water Code, because Chapter 49 applies to
29 the district under Sections 49.001 and 49.002 of that
30 chapter. The revised law also omits "appointed"
31 because it is clear from the context of Section 6 that
32 the reference applies only to directors appointed to
33 fill vacancies as provided by Chapter 49, Water Code.
34 The omitted law reads:

35 Sec. 6. . . . [Succeeding directors
36 shall be elected or] appointed and shall
37 serve for the term and in the manner
38 provided by Chapter 54, Title 4, Water Code.

39 [Sections 8229.052-8229.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 8229.101. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions
5 conferred by general law applicable to a municipal utility
6 district, including Chapters 49 and 54, Water Code. (Acts 62nd
7 Leg., R.S., Ch. 554, Sec. 5 (part); New.)

8 Source Law

9 Sec. 5. The district is hereby vested with, and
10 shall have and exercise, all of the rights, powers,
11 privileges, authority and functions conferred by the
12 general laws of this state applicable to municipal
13 utility districts, including without limitation those
14 conferred by Chapter 54, Title 4, Water Code, but
15

16 Revisor's Note

17 (1) Section 5, Chapter 554, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 district "is hereby vested with, and shall have and
20 exercise" certain powers. The revised law substitutes
21 "has" for the quoted language because, in context, the
22 terms are synonymous and "has" is more commonly used.

23 (2) Section 5, Chapter 554, Acts of the 62nd
24 Legislature, Regular Session, 1971, refers to the
25 "rights, powers, privileges, [and] authority" of the
26 district. The revised law omits the reference to
27 "authority" because, in context, "authority" is
28 included in the meaning of "rights, powers, [and]
29 privileges."

30 (3) Section 5, Chapter 554, Acts of the 62nd
31 Legislature, Regular Session, 1971, grants the
32 district certain powers, "including without
33 limitation those conferred by Chapter 54, Title 4,
34 Water Code." The revised law omits "without
35 limitation" because Section 311.005(13), Government
36 Code (Code Construction Act), provides that "includes"
37 and "including" are terms of enlargement and not of

1 limitation and do not create a presumption that
2 components not expressed are excluded.

3 (4) Section 5, Chapter 554, Acts of the 62nd
4 Legislature, Regular Session, 1971, refers to Chapter
5 54, Water Code. For the reader's convenience, the
6 revised law adds a reference to Chapter 49, Water Code,
7 because Chapter 715, Acts of the 74th Legislature,
8 Regular Session, 1995, repealed many provisions of
9 Chapter 54 and enacted similar provisions in Chapter
10 49, Water Code, which applies to the district under
11 Sections 49.001 and 49.002 of that chapter.

12 (5) Section 5, Chapter 554, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 act prevails over general law in case of a conflict or
15 other inconsistency and that all general laws
16 applicable to municipal utility districts not in
17 conflict or inconsistent with the provisions of the
18 act are adopted and incorporated by reference. The
19 revised law omits the portion of the provision
20 relating to the act prevailing over general law
21 because it duplicates in substance Section 311.026(b),
22 Government Code (Code Construction Act). The revised
23 law omits the portion of the provision relating to
24 adoption and incorporation of general laws because
25 Section 5 of Chapter 554 (revised as this section)
26 already provides that those laws apply to the
27 district, and it is unnecessary to repeat that
28 authority. The omitted law reads:

29 Sec. 5. . . . if any provision of
30 such general laws shall be in conflict or
31 inconsistent with the provisions of this
32 Act, the provisions of this Act shall
33 prevail. All such general laws applicable
34 to municipal utility districts not in
35 conflict or inconsistent with the
36 provisions of this Act are hereby adopted
37 and incorporated by reference with the same
38 effect as if copied in full in this Act.

1 Revisor's Note
2 (End of Chapter)

3 (1) Section 7, Chapter 554, Acts of the 62nd
4 Legislature, Regular Session, 1971, contains
5 legislative findings relating to the performance of
6 the requirements of Section 59(d), Article XVI, Texas
7 Constitution, and to the authority of the legislature
8 to enact that chapter. The revised law omits the
9 provision as executed. The omitted law reads:

10 Sec. 7. The Legislature specifically
11 finds and declares that the requirements of
12 Article XVI, Section 59(d) of the
13 Constitution of Texas have been performed
14 and accomplished in due course and time and
15 order, and that the Legislature has the
16 power and authority to enact this Act.

17 (2) Section 8, Chapter 554, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 act is severable. The revised law omits that provision
20 because it duplicates Section 311.032, Government Code
21 (Code Construction Act), which provides that a
22 provision of a statute is severable from each other
23 provision of the statute that can be given effect. The
24 omitted law reads:

25 Sec. 8. If any word, phrase, clause,
26 paragraph, sentence, part, portion or
27 provision of this Act or the application
28 thereof to any persons or circumstances
29 shall be held to be invalid or
30 unconstitutional, the remainder of the Act
31 shall nevertheless be valid and the
32 Legislature hereby declares that this Act
33 would have been enacted without such
34 invalid or unconstitutional word, phrase,
35 clause, paragraph, sentence, part, portion
36 or provision.

37 CHAPTER 8230. LUMBERTON MUNICIPAL UTILITY DISTRICT

38 SUBCHAPTER A. GENERAL PROVISIONS

39 Sec. 8230.001. DEFINITIONS 1347
40 Sec. 8230.002. NATURE OF DISTRICT 1347
41 Sec. 8230.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1348
42 Sec. 8230.004. DISTRICT TERRITORY 1349
43 Sec. 8230.005. CERTAIN LAWS INAPPLICABLE TO
44 CREATION OF DISTRICT 1351

1 [Sections 8230.006-8230.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8230.051. COMPOSITION OF BOARD 1352

4 [Sections 8230.052-8230.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 Sec. 8230.101. MUNICIPAL UTILITY DISTRICT POWERS 1354

7 CHAPTER 8230. LUMBERTON MUNICIPAL UTILITY DISTRICT

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Revised Law

10 Sec. 8230.001. DEFINITIONS. In this chapter:

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

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

13 (3) "District" means the Lumberton Municipal Utility
14 District. (Acts 63rd Leg., R.S., Ch. 388, Sec. 1 (part); New.)

15 Source Law

16 Sec. 1. . . . [a . . . district] . . . to be
17 known as Lumberton Municipal Utility District,

18 Revisor's Note

19 The definitions of "board" and "director" are
20 added to the revised law for drafting convenience and
21 to eliminate frequent, unnecessary repetition of the
22 substance of the definitions.

23 Revised Law

24 Sec. 8230.002. NATURE OF DISTRICT. The district is a
25 conservation and reclamation district in Hardin County created
26 under Section 59, Article XVI, Texas Constitution. (Acts 63rd Leg.,
27 R.S., Ch. 388, Sec. 1 (part).)

28 Source Law

29 Sec. 1. Under and pursuant to the provisions of
30 Article XVI, Section 59, of the Constitution of Texas,
31 a conservation and reclamation district is hereby
32 created and established in Hardin County, Texas, . . .
33 which shall be a governmental agency and a body politic
34 and corporate. . . .

35 Revisor's Note

36 (1) Section 1, Chapter 388, Acts of the 63rd
37 Legislature, Regular Session, 1973, provides that the

1 district is "created and established." The revised
2 law omits "established" because the meaning of that
3 word is included in the meaning of "created."

4 (2) Section 1, Chapter 388, Acts of the 63rd
5 Legislature, Regular Session, 1973, refers to the
6 district as "a governmental agency and a body politic
7 and corporate." The revised law omits the quoted
8 language because it duplicates a portion of Section
9 59(b), Article XVI, Texas Constitution, which provides
10 that a conservation and reclamation district is a
11 governmental agency and a body politic and corporate.

12 Revised Law

13 Sec. 8230.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
14 The district is created to serve a public use and benefit.

15 (b) All land and other property included in the boundaries
16 of the district will benefit from the works and projects
17 accomplished by the district under the powers conferred by Section
18 59, Article XVI, Texas Constitution.

19 (c) The creation of the district is essential to accomplish
20 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
21 63rd Leg., R.S., Ch. 388, Secs. 1 (part), 4.)

22 Source Law

23 Sec. 1. . . . The creation and establishment of
24 the District is hereby declared to be essential to the
25 accomplishment of the purposes of Article XVI, Section
26 59, of the Constitution of Texas.

27 Sec. 4. It is determined and found that all of
28 the land and other property included within the area
29 and boundaries of the District will be benefited by the
30 works and project which are to be accomplished by the
31 District pursuant to the powers conferred by the
32 provisions of Article XVI, Section 59, of the
33 Constitution of Texas, and that said District is
34 created to serve a public use and benefit.

35 Revisor's Note

36 (1) Section 1, Chapter 388, Acts of the 63rd
37 Legislature, Regular Session, 1973, provides that the
38 "creation and establishment" of the district are
39 essential to accomplish the purposes of Section 59,

1 Article XVI, Texas Constitution. The revised law
2 omits "establishment" because its meaning is included
3 in the meaning of "creation."

4 (2) Section 4, Chapter 388, Acts of the 63rd
5 Legislature, Regular Session, 1973, refers to land and
6 other property included within the "area and
7 boundaries of the District." The revised law omits the
8 reference to "area" because, in context, "area" is
9 included in the meaning of "boundaries."

10 Revised Law

11 Sec. 8230.004. DISTRICT TERRITORY. (a) The district is
12 composed of the territory described by Section 2, Chapter 388, Acts
13 of the 63rd Legislature, Regular Session, 1973, as that territory
14 may have been modified under:

15 (1) Subchapter H, Chapter 54, Water Code;

16 (2) Subchapter J, Chapter 49, Water Code; or

17 (3) other law.

18 (b) The boundaries and field notes of the district form a
19 closure. A mistake in copying the field notes in the legislative
20 process or another mistake in the field notes does not affect:

21 (1) the district's organization, existence, or
22 validity;

23 (2) the district's right to issue any type of bond for
24 a purpose for which the district is created or to pay the principal
25 of and interest on the bond;

26 (3) the district's right to impose a tax; or

27 (4) the legality or operation of the district or its
28 governing body. (Acts 63rd Leg., R.S., Ch. 388, Sec. 3; New.)

29 Source Law

30 Sec. 3. It is determined and found that the
31 boundaries and field notes of the District form a
32 closure. If any mistake is made in copying the field
33 notes in the legislative process or otherwise a
34 mistake is made in the field notes, it shall in no way
35 affect the organization, existence, and validity of
36 the District, or the right of the District to issue any
37 type of bonds or refunding bonds for the purposes for
38 which the District is created or to pay the principal
39 and interest thereon, or the right to assess, levy and

1 collect taxes, or in any other manner affect the
2 legality or operation of the District or its governing
3 body.

4 Revisor's Note

5 (1) The revision of the law governing the
6 district does not revise the statutory language
7 describing the territory of the district to avoid the
8 lengthy recitation of the description and because that
9 description may not be accurate on the effective date
10 of the revision or at the time of a later reading. For
11 the reader's convenience, the revised law includes
12 references to the statutory description of the
13 district's territory and to the authority to change the
14 district's territory under Subchapter H, Chapter 54,
15 Water Code, applicable to municipal utility districts,
16 and under Subchapter J, Chapter 49, Water Code,
17 applicable to the district under Sections 49.001 and
18 49.002 of that chapter. The revised law also includes
19 a reference to the general authority of the
20 legislature to enact a law to change the district's
21 territory.

22 (2) Section 3, Chapter 388, Acts of the 63rd
23 Legislature, Regular Session, 1973, provides that a
24 mistake in the description of the district boundaries
25 does not affect the right of the district to issue "any
26 type of bonds or refunding bonds." The revised law
27 omits the reference to "refunding bonds" because
28 refunding bonds are included in the meaning of "any
29 type of bonds."

30 (3) Section 3, Chapter 388, Acts of the 63rd
31 Legislature, Regular Session, 1973, refers to the
32 district's authority to "assess, levy and collect"
33 taxes. The revised law substitutes "impose" for
34 "assess, levy and collect" because "impose" is the
35 term generally used in Title 1, Tax Code, and includes
36 the assessment, levy, and collection of a tax.

1 Revised Law

2 Sec. 8230.005. CERTAIN LAWS INAPPLICABLE TO CREATION OF
3 DISTRICT. The district was created notwithstanding any provision of
4 Section 212.003, Local Government Code, Chapter 42 or 43, Local
5 Government Code, or Section 54.016, Water Code, and to the extent of
6 the creation of the district only, those provisions shall have no
7 application. (Acts 63rd Leg., R.S., Ch. 388, Sec. 8.)

8 Source Law

9 Sec. 8. This District is hereby created
10 notwithstanding any of the provisions of the Municipal
11 Annexation Act, being Article 970a, V.T.C.S., as
12 amended, or of the Water Code Section 54.016 and to the
13 extent of the creation of the district only, said
14 Article 970a and Water Code Section 54.016 shall have
15 no application.

16 Revisor's Note

17 Section 8, Chapter 388, Acts of the 63rd
18 Legislature, Regular Session, 1973, provides that the
19 district is created "notwithstanding any of the
20 provisions of the Municipal Annexation Act, being
21 Article 970a, V.T.C.S., as amended." Article 970a,
22 Vernon's Texas Civil Statutes (Municipal Annexation
23 Act), was codified in 1987 as Chapters 42 and 43, Local
24 Government Code, and Section 212.003, Local Government
25 Code, and the revised law is drafted to reflect this
26 change. The revised law omits "as amended" because,
27 under Section 311.027, Government Code (Code
28 Construction Act), a reference to a statute applies to
29 all reenactments, revisions, or amendments of that
30 statute, unless expressly provided otherwise.

31 Revisor's Note
32 (End of Subchapter)

33 Section 6, Chapter 388, Acts of the 63rd
34 Legislature, Regular Session, 1973, provides that an
35 election to confirm the creation of the district must
36 be held before the district may issue any bonds or
37 other obligations. The revised law omits that
38 provision as executed because the district has issued

1 bonds, and any confirmation election would have been
2 held. The omitted law reads:

3 Sec. 6. Before issuing any bonds or
4 other obligations, a confirmation election
5 shall be held within the boundaries of the
6 proposed district to determine if the
7 district shall be established. The election
8 shall be held in accordance with the
9 provisions of Sections 54.026 through
10 54.029, Water Code.

11 [Sections 8230.006-8230.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Revised Law

14 Sec. 8230.051. COMPOSITION OF BOARD. The board of
15 directors is composed of five elected directors. (Acts 63rd Leg.,
16 R.S., Ch. 388, Sec. 7 (part).)

17 Source Law

18 Sec. 7. . . . Succeeding directors shall be
19 elected or

20 Revisor's Note

21 (1) Section 7, Chapter 388, Acts of the 63rd
22 Legislature, Regular Session, 1973, refers to the
23 initial board of directors and to vacancy procedures.
24 The revised law omits the language relating to the
25 creation of the initial board as executed. The revised
26 law omits the language relating to vacancy procedures
27 for the initial board as executed and, to the extent
28 the language may apply to subsequently appointed
29 directors, because it duplicates in substance Section
30 49.105(c), Water Code. That section applies to the
31 district under Sections 49.001 and 49.002, Water Code.
32 The omitted law reads:

33 Sec. 7. Immediately after this Act
34 becomes effective, the following named
35 persons shall be the directors of the
36 District, and shall constitute the Board of
37 Directors of the District: Marcus Bowman;
38 Tommy Edgar; Frank Groves; Herbert Seaman;
39 Wilson Green.

40 Said persons shall qualify to serve as
41 directors prior to the first meeting of the
42 Board of Directors. Should any of the above
43 named directors fail to qualify for any
44 reason, the remaining named directors shall

1 appoint someone to fill such vacancy or
2 vacancies; provided, however, that if at
3 any time the number of qualified directors
4 shall be less than three because of the
5 failure or refusal of one or more directors
6 to qualify or serve or because of his or
7 their death or incapacitation, or for any
8 other reason, the Texas Water Rights
9 Commission shall appoint the necessary
10 number of directors to fill all vacancies on
11 the Board. The directors above named or
12 their duly appointed and qualified
13 successor or successors shall serve until
14 the second Saturday in January, 1975. . . .

15 (2) Section 7, Chapter 388, Acts of the 63rd
16 Legislature, Regular Session, 1973, refers to
17 "[s]ucceeding directors" to distinguish the
18 succeeding directors from the initial directors named
19 in that section. The revised law substitutes "five"
20 for "succeeding" to conform to the number of directors
21 listed in Section 7 (establishing the initial board).

22 (3) Section 7, Chapter 388, Acts of the 63rd
23 Legislature, Regular Session, 1973, provides for
24 directors to be elected or appointed and to serve for
25 the term and in the manner provided by Chapter 54,
26 Water Code, for directors first elected. Chapter 715,
27 Acts of the 74th Legislature, Regular Session, 1995,
28 repealed the relevant provisions of Chapter 54 and
29 enacted similar provisions in Chapter 49, Water Code,
30 including Section 49.103, which governs the terms of
31 office and manner of election of directors of a
32 municipal utility district that is required by law to
33 elect its directors. The revised law omits any
34 reference to Chapter 49, Water Code, because Chapter
35 49 applies to the district under Sections 49.001 and
36 49.002 of that chapter. The revised law also omits
37 "appointed" because it is clear from the context of
38 Section 7 that the reference applies only to directors
39 appointed to fill vacancies as provided by Chapter 49,
40 Water Code. The omitted law reads:

41 Sec. 7. . . . [Succeeding directors
42 shall be elected or] appointed and shall

1 serve for the term and in the manner
2 provided by Chapter 54, Water Code, for
3 directors first elected.

4 [Sections 8230.052-8230.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 Revised Law

7 Sec. 8230.101. MUNICIPAL UTILITY DISTRICT POWERS. The
8 district has the rights, powers, privileges, and functions
9 conferred and imposed by general law applicable to a municipal
10 utility district created under Section 59, Article XVI, Texas
11 Constitution, including Chapters 49 and 54, Water Code. (Acts 63rd
12 Leg., R.S., Ch. 388, Sec. 5 (part); New.)

13 Source Law

14 Sec. 5. The District is hereby vested with, and
15 shall have and exercise, all of the rights, powers,
16 privileges, authority and functions conferred and
17 imposed by the general laws of this state now in force
18 or hereafter enacted, applicable to municipal utility
19 districts created under authority of Article XVI,
20 Section 59, of the Constitution of Texas, including
21 without limitation those conferred by Chapter 54,
22 Title 4, Water Code, but

23 Revisor's Note

24 (1) Section 5, Chapter 388, Acts of the 63rd
25 Legislature, Regular Session, 1973, provides that the
26 district "is hereby vested with, and shall have and
27 exercise" certain powers. The revised law substitutes
28 "has" for the quoted language because, in context, the
29 terms are synonymous and "has" is more commonly used.

30 (2) Section 5, Chapter 388, Acts of the 63rd
31 Legislature, Regular Session, 1973, refers to the
32 "rights, powers, privileges, [and] authority" of the
33 district. The revised law omits the reference to
34 "authority" because, in context, "authority" is
35 included in the meaning of "rights, powers, [and]
36 privileges."

37 (3) Section 5, Chapter 388, Acts of the 63rd
38 Legislature, Regular Session, 1973, states that the
39 district has the rights, powers, privileges,
40 authority, and functions conferred by the general laws

1 of this state "now in force or hereafter enacted." The
2 revised law omits the quoted language because it
3 duplicates accepted general principles of statutory
4 construction. The "general laws of this state" means
5 those laws "in force" at the time the provision was
6 adopted. It is unnecessary to state that the district
7 may be granted additional powers by later enacted laws
8 because those laws apply on their own terms.

9 (4) Section 5, Chapter 388, Acts of the 63rd
10 Legislature, Regular Session, 1973, grants the
11 district certain powers, "including without
12 limitation those conferred by Chapter 54, Title 4,
13 Water Code." The revised law omits "without
14 limitation" because Section 311.005(13), Government
15 Code (Code Construction Act), provides that "includes"
16 and "including" are terms of enlargement and not of
17 limitation and do not create a presumption that
18 components not expressed are excluded.

19 (5) Section 5, Chapter 388, Acts of the 63rd
20 Legislature, Regular Session, 1973, refers to Chapter
21 54, Water Code. For the reader's convenience, the
22 revised law adds a reference to Chapter 49, Water Code,
23 because Chapter 715, Acts of the 74th Legislature,
24 Regular Session, 1995, repealed many provisions of
25 Chapter 54 and enacted similar provisions in Chapter
26 49, Water Code, which applies to the district under
27 Sections 49.001 and 49.002 of that chapter.

28 (6) Section 5, Chapter 388, Acts of the 63rd
29 Legislature, Regular Session, 1973, provides that the
30 act prevails over general law in case of a conflict or
31 other inconsistency. The revised law omits the
32 provision because it duplicates Section 311.026(b),
33 Government Code (Code Construction Act). The omitted
34 law reads:

1 Sec. 5. . . . if any provision of
2 such general laws shall be in conflict or
3 inconsistent with the provisions of this
4 Act, the provisions of this Act shall
5 prevail.

6 Revisor's Note
7 (End of Chapter)

8 (1) Section 9, Chapter 388, Acts of the 63rd
9 Legislature, Regular Session, 1973, contains
10 legislative findings relating to the performance of
11 the requirements of Section 59(d), Article XVI, Texas
12 Constitution, and to the authority of the legislature
13 to enact that chapter. The revised law omits the
14 provision as executed. The omitted law reads:

15 Sec. 9. The Legislature specifically
16 finds and declares that the requirements of
17 Article XVI, Section 59(d) of the
18 Constitution of Texas have been performed
19 and accomplished in due course and time and
20 order, and that the Legislature has the
21 power and authority to enact this Act.

22 (2) Section 10, Chapter 388, Acts of the 63rd
23 Legislature, Regular Session, 1973, provides that the
24 act is severable. The revised law omits that provision
25 because it duplicates Section 311.032, Government Code
26 (Code Construction Act), which provides that a
27 provision of a statute is severable from each other
28 provision of the statute that can be given effect. The
29 omitted law reads:

30 Sec. 10. If any word, phrase, clause,
31 paragraph, sentence, part, portion, or
32 provision of this Act or the application
33 thereof to any person or circumstance shall
34 be held to be invalid or unconstitutional,
35 the remainder of this Act shall
36 nevertheless be valid; and the Legislature
37 hereby declares this Act would have been
38 enacted without such invalid or
39 unconstitutional word, phrase, clause,
40 paragraph, sentence, part, portion or
41 provision.

42 CHAPTER 8243. LANNIUS MUNICIPAL UTILITY DISTRICT

43 SUBCHAPTER A. GENERAL PROVISIONS

44 Sec. 8243.001. DEFINITIONS 1357
45 Sec. 8243.002. NATURE OF DISTRICT 1357
46 Sec. 8243.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1358

1 Sec. 8243.004. DISTRICT TERRITORY 1359

2 [Sections 8243.005-8243.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 8243.051. COMPOSITION OF BOARD 1361

5 [Sections 8243.052-8243.100 reserved for expansion]

6 SUBCHAPTER C. POWERS

7 Sec. 8243.101. MUNICIPAL UTILITY DISTRICT POWERS 1363

8 Sec. 8243.102. WATER AND SEWER SYSTEMS 1365

9 CHAPTER 8243. LANNIUS MUNICIPAL UTILITY DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Revised Law

12 Sec. 8243.001. DEFINITIONS. In this chapter:

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

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

15 (3) "District" means the Lannius Municipal Utility
16 District. (Acts 63rd Leg., R.S., Ch. 620, Sec. 1 (part); New.)

17 Source Law

18 Sec. 1. . . . a . . . district . . . to be known
19 as the Lannius Municipal Utility District, hereinafter
20 called the "District",

21 Revisor's Note

22 The definitions of "board" and "director" are
23 added to the revised law for drafting convenience and
24 to eliminate frequent, unnecessary repetition of the
25 substance of the definitions.

26 Revised Law

27 Sec. 8243.002. NATURE OF DISTRICT. The district is a
28 conservation and reclamation district in Fannin County created
29 under Section 59, Article XVI, Texas Constitution. (Acts 63rd
30 Leg., R.S., Ch. 620, Sec. 1 (part).)

31 Source Law

32 Sec. 1. Under and pursuant to the provisions of
33 Article XVI, Section 59, of the Constitution of Texas,
34 a conservation and reclamation district is hereby
35 created and established in Fannin County, Texas, . . .
36 which shall be a governmental agency and a body politic
37 and corporate. . . .

1 Revisor's Note

2 (1) Section 1, Chapter 620, Acts of the 63rd
3 Legislature, Regular Session, 1973, provides that the
4 district is "created and established." The revised
5 law omits "established" because the meaning of that
6 word is included in the meaning of "created."

7 (2) Section 1, Chapter 620, Acts of the 63rd
8 Legislature, Regular Session, 1973, refers to the
9 district as "a governmental agency and a body politic
10 and corporate." The revised law omits the quoted
11 language because it duplicates a portion of Section
12 59(b), Article XVI, Texas Constitution, which provides
13 that a conservation and reclamation district is a
14 governmental agency and a body politic and corporate.

15 Revised Law

16 Sec. 8243.003. 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 63rd Leg., R.S., Ch. 620, Secs. 1 (part), 4.)

25 Source Law

26 Sec. 1. . . . The creation and establishment of
27 the district is hereby declared to be essential to the
28 accomplishment of the purposes of Article XVI, Section
29 59, of the Constitution of Texas.

30 Sec. 4. It is determined and found that all of
31 the land and other property included within the area
32 and boundaries of the district will be benefitted by
33 the works and project which are to be accomplished by
34 the district pursuant to the powers conferred by the
35 provisions of Article XVI, Section 59, of the
36 Constitution of Texas, and that said district is
37 created to serve a public use and benefit.

38 Revisor's Note

39 (1) Section 1, Chapter 620, Acts of the 63rd

1 Legislature, Regular Session, 1973, declares that the
2 "creation and establishment" of the district are
3 essential to accomplish the purposes of Section 59,
4 Article XVI, Texas Constitution. The revised law
5 omits "establishment" because its meaning is included
6 in the meaning of "creation."

7 (2) Section 4, Chapter 620, Acts of the 63rd
8 Legislature, Regular Session, 1973, refers to land and
9 other property included within the "area and
10 boundaries of the district." The revised law omits the
11 reference to "area" because, in context, "area" is
12 included in the meaning of "boundaries."

13 Revised Law

14 Sec. 8243.004. DISTRICT TERRITORY. (a) The district is
15 composed of the territory described by Section 2, Chapter 620, Acts
16 of the 63rd Legislature, Regular Session, 1973, 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.

21 (b) The boundaries and field notes of the district form a
22 closure. A mistake in copying the field notes in the legislative
23 process or another mistake in the field notes does not affect:

- 24 (1) the district's organization, existence, or
25 validity;
- 26 (2) the district's right to issue any type of bond for
27 a purpose for which the district is created or to pay the principal
28 of and interest on the bond;
- 29 (3) the district's right to impose a tax; or
- 30 (4) the legality or operation of the district or its
31 governing body. (Acts 63rd Leg., R.S., Ch. 620, Sec. 3; New.)

32 Source Law

33 Sec. 3. It is determined and found that the
34 boundaries and field notes of the district form a
35 closure. If any mistake is made in copying the field
36 notes in the legislative process or otherwise a

1 mistake is made in the field notes, it shall in no way
2 affect the organization, existence and validity of the
3 district, or the right of the district to issue any
4 type of bonds or refunding bonds for the purposes for
5 which the district is created or to pay the principal
6 and interest thereon, or the right to assess, levy and
7 collect taxes, or in any other manner affect the
8 legality or operation of the district or its governing
9 body.

10 Revisor's Note

11 (1) The revision of the law governing the
12 district does not revise the statutory language
13 describing the territory of the district to avoid the
14 lengthy recitation of the description and because that
15 description may not be accurate on the effective date
16 of the revision or at the time of a later reading. For
17 the reader's convenience, the revised law includes
18 references to the statutory description of the
19 district's territory and to the authority to change the
20 district's territory under Subchapter H, Chapter 54,
21 Water Code, applicable to municipal utility districts,
22 and under Subchapter J, Chapter 49, Water Code,
23 applicable to the district under Sections 49.001 and
24 49.002 of that chapter. The revised law also includes
25 a reference to the general authority of the
26 legislature to enact other law to change the district's
27 territory.

28 (2) Section 3, Chapter 620, Acts of the 63rd
29 Legislature, Regular Session, 1973, provides that a
30 mistake in the description of the district boundaries
31 does not affect the right of the district to issue "any
32 type of bonds or refunding bonds." The revised law
33 omits the reference to "refunding bonds" because
34 refunding bonds are included in the meaning of "any
35 type of bonds."

36 (3) Section 3, Chapter 620, Acts of the 63rd
37 Legislature, Regular Session, 1973, refers to the
38 district's authority to "assess, levy and collect"
39 taxes. The revised law substitutes "impose" for

1 "assess, levy and collect" because "impose" is the
2 term generally used in Title 1, Tax Code, and includes
3 the assessment, levy, and collection of a tax.

4 Revisor's Note
5 (End of Subchapter)

6 Section 8, Chapter 620, Acts of the 63rd
7 Legislature, Regular Session, 1973, provides that an
8 election to confirm the creation of the district must
9 be held before the district may issue any bonds or
10 other obligations. The revised law omits that
11 provision as executed because the district has issued
12 bonds, and any confirmation election would have been
13 held. The omitted law reads:

14 Sec. 8. Before issuing any bonds or
15 other obligations an election shall be held
16 within the boundaries of the proposed
17 district to determine if the proposed
18 district shall be established; and such
19 election and notice thereof shall be held
20 and given in the manner provided by Chapter
21 54, Water Code.

22 [Sections 8243.005-8243.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Revised Law

25 Sec. 8243.051. COMPOSITION OF BOARD. The board of
26 directors is composed of five elected directors. (Acts 63rd Leg.,
27 R.S., Ch. 620, Sec. 7 (part).)

28 Source Law

29 Sec. 7. . . . Succeeding directors shall be
30 elected or

31 Revisor's Note

32 (1) Section 7, Chapter 620, Acts of the 63rd
33 Legislature, Regular Session, 1973, refers to the
34 initial board of directors and to vacancy procedures.
35 The revised law omits the language relating to the
36 creation of the initial board as executed. The revised
37 law omits the language relating to vacancy procedures
38 for the initial board as executed and, to the extent
39 the language may apply to subsequently appointed

1 directors, because it duplicates in substance Section
2 49.105(c), Water Code. That section applies to the
3 district under Sections 49.001 and 49.002, Water Code.
4 The omitted law reads:

5 Sec. 7. Immediately after this Act
6 becomes effective, the following named
7 persons shall be the directors of the
8 district and shall constitute the board of
9 directors of the district: Roy Renfro,
10 Richard Knight, Tom R. Jarrell, William D.
11 Taylor, Earl Clement.

12 Said persons shall qualify to serve as
13 directors prior to the first meeting of the
14 board of directors. Should any of the above
15 named directors fail to qualify for any
16 reason, the remaining named directors shall
17 appoint someone to fill such vacancy or
18 vacancies; provided, however, that if at
19 any time the number of qualified directors
20 shall be less than three because of the
21 failure or refusal of one or more directors
22 to qualify or serve or because of his or
23 their death or incapacitation, or for any
24 other reason, the Texas Water Rights
25 Commission shall appoint the necessary
26 number of directors to fill all vacancies on
27 the board. The directors above named or
28 their duly appointed and qualified
29 successor or successors shall serve until
30 the second Saturday in January, 1975. . . .

31 (2) Section 7, Chapter 620, Acts of the 63rd
32 Legislature, Regular Session, 1973, refers to
33 "[s]ucceeding directors" to distinguish the
34 succeeding directors from the initial directors named
35 in that section. The revised law substitutes "five"
36 for "succeeding" to conform to the number of directors
37 listed in Section 7 (establishing the initial board).

38 (3) Section 7, Chapter 620, Acts of the 63rd
39 Legislature, Regular Session, 1973, provides for
40 directors to be elected or appointed and to serve for
41 the term and in the manner provided by Chapter 54,
42 Water Code. Chapter 715, Acts of the 74th Legislature,
43 Regular Session, 1995, repealed the relevant
44 provisions of Chapter 54 and enacted similar
45 provisions in Chapter 49, Water Code, including
46 Section 49.103, which governs the terms of office and
47 manner of election of directors of a municipal utility

1 district that is required by law to elect its
2 directors. The revised law omits any reference to the
3 applicability of Chapter 49, Water Code, because
4 Chapter 49 applies to the district under Sections
5 49.001 and 49.002 of that chapter. The revised law
6 also omits "appointed" because it is clear from the
7 context of Section 7 that the reference applies only to
8 directors appointed to fill vacancies as provided by
9 Chapter 49, Water Code. The omitted law reads:

10 Sec. 7. . . . [Succeeding directors
11 shall be elected or] appointed and shall
12 serve for the term and in the manner
13 provided by Chapter 54, Water Code, for
14 directors first elected.

15 [Sections 8243.052-8243.100 reserved for expansion]

16 SUBCHAPTER C. POWERS

17 Revised Law

18 Sec. 8243.101. MUNICIPAL UTILITY DISTRICT POWERS. The
19 district has the rights, powers, privileges, and functions
20 conferred and imposed by general law applicable to a municipal
21 utility district created under Section 59, Article XVI, Texas
22 Constitution, including Chapters 49 and 54, Water Code. (Acts 63rd
23 Leg., R.S., Ch. 620, Sec. 5 (part).)

24 Source Law

25 Sec. 5. The district is hereby vested with, and
26 shall have and exercise, all of the rights, powers,
27 privileges, authority and functions conferred and
28 imposed by the general laws of this state now in force
29 or hereafter enacted, applicable to municipal utility
30 districts created under authority of Article XVI,
31 Section 59, of the Constitution of Texas, including
32 without limitation those conferred by Chapter 54,
33 Water Code, but

34 Revisor's Note

35 (1) Section 5, Chapter 620, Acts of the 63rd
36 Legislature, Regular Session, 1973, provides that the
37 district "is hereby vested with, and shall have and
38 exercise" certain powers. The revised law substitutes
39 "has" for the quoted language because, in context, the
40 terms are synonymous and "has" is more commonly used.

1 (2) Section 5, Chapter 620, Acts of the 63rd
2 Legislature, Regular Session, 1973, refers to the
3 "rights, powers, privileges, [and] authority" of the
4 district. The revised law omits the reference to
5 "authority" because, in context, "authority" is
6 included in the meaning of "rights, powers, [and]
7 privileges."

8 (3) Section 5, Chapter 620, Acts of the 63rd
9 Legislature, Regular Session, 1973, provides that the
10 district has the rights, powers, privileges,
11 authority, and functions conferred by the general laws
12 of this state "now in force or hereafter enacted." The
13 revised law omits the quoted language because it
14 duplicates accepted general principles of statutory
15 construction. The "general laws of this state" means
16 those laws "in force" at the time the provision was
17 adopted. It is unnecessary to state that the district
18 may be granted additional powers by later enacted laws
19 because those laws apply on their own terms.

20 (4) Section 5, Chapter 620, Acts of the 63rd
21 Legislature, Regular Session, 1973, grants the
22 district certain powers, "including without
23 limitation those conferred by Chapter 54, Water Code."
24 The revised law omits "without limitation" because
25 Section 311.005(13), Government Code (Code
26 Construction Act), provides that "includes" and
27 "including" are terms of enlargement and not of
28 limitation and do not create a presumption that
29 components not expressed are excluded.

30 (5) Section 5, Chapter 620, Acts of the 63rd
31 Legislature, Regular Session, 1973, refers to Chapter
32 54, Water Code. For the reader's convenience, the
33 revised law adds a reference to Chapter 49, Water Code,
34 because Chapter 715, Acts of the 74th Legislature,

1 Regular Session, 1995, repealed many provisions of
2 Chapter 54 and enacted similar provisions in Chapter
3 49, Water Code, which applies to the district under
4 Sections 49.001 and 49.002 of that chapter.

5 (6) Section 5, Chapter 620, Acts of the 63rd
6 Legislature, Regular Session, 1973, provides that the
7 act prevails over general law in case of a conflict or
8 other inconsistency and that all general laws not in
9 conflict or inconsistent with the provisions of the
10 act are adopted and incorporated by reference. The
11 revised law omits the portion of the provision
12 relating to the act prevailing over general law
13 because it duplicates in substance Section 311.026(b),
14 Government Code (Code Construction Act). The revised
15 law omits the portion of the provision relating to
16 adoption and incorporation of general laws because
17 Section 5 of Chapter 620 (revised as this section)
18 already provides that those laws apply to the
19 district, and it is unnecessary to repeat that
20 authority. The omitted law reads:

21 Sec. 5. . . . if any provision of
22 such general laws shall be in conflict or
23 inconsistent with the provisions of this
24 Act, the provisions of this Act shall
25 prevail. All such general laws not in
26 conflict or inconsistent with the
27 provisions of this Act are hereby adopted
28 and incorporated by reference with the same
29 effect as if copied in full in this Act.

30 Revised Law

31 Sec. 8243.102. WATER AND SEWER SYSTEMS. The district may:

32 (1) acquire an existing water system that serves all
33 or part of the district territory; or

34 (2) enter into a contract with the owner of a system
35 described by Subdivision (1) under which the owner agrees:

36 (A) to operate and maintain all or part of the
37 district's facilities;

38 (B) to provide billing for utility service

1 supplied by district facilities;

2 (C) not to provide water service to a customer
3 who is subject to the sanitary sewer service supplied by district
4 facilities but who has not paid for that sewer service; and

5 (D) to any other agreement required to assure
6 adequate maintenance of district facilities and provide money to
7 pay district obligations. (Acts 63rd Leg., R.S., Ch. 620, Sec. 6.)

8 Source Law

9 Sec. 6. The district shall have and is given the
10 power to acquire any existing water system which
11 serves all or part of the territory situated within its
12 boundaries or the district may contract with the owner
13 of such system whereby such owners would (i) operate
14 and maintain all or part of the facilities of the
15 district, and (ii) provide billing for the utility
16 service supplied by the district's facilities, and
17 (iii) agree not to provide water service to any
18 customer who is subject to but has not paid for
19 sanitary sewer service supplied by facilities of the
20 district and (iv) such other covenants and agreements
21 as may be required to provide for assurance of adequate
22 maintenance of the district's facilities and provide
23 funds for the payment of the district's obligations.

24 Revisor's Note

25 (1) Section 6, Chapter 620, Acts of the 63rd
26 Legislature, Regular Session, 1973, provides that the
27 district "shall have and is given the power" to acquire
28 certain property. The revised law substitutes "may"
29 for the quoted language because the phrases have the
30 same meaning, and "may" is more consistent with modern
31 usage. See, for example, Section 311.016(1),
32 Government Code (Code Construction Act), which
33 construes "may."

34 (2) Section 6, Chapter 620, Acts of the 63rd
35 Legislature, Regular Session, 1973, refers to
36 "covenants and agreements" for district facility
37 maintenance. The revised law omits "covenants" because
38 "covenants" is included in the meaning of
39 "agreements."

40 Revisor's Note
41 (End of Chapter)

42 (1) Section 9, Chapter 620, Acts of the 63rd

1 Legislature, Regular Session, 1973, contains
2 legislative findings relating to the performance of
3 the requirements of Section 59(d), Article XVI, Texas
4 Constitution, and to the authority of the legislature
5 to enact that chapter. The revised law omits that
6 provision as executed. The omitted law reads:

7 Sec. 9. The Legislature specifically
8 finds and declares that the requirements of
9 Article XVI, Section 59(d) of the
10 Constitution of Texas have been performed
11 and accomplished in due course and time and
12 order, and that the Legislature has the
13 power and authority to enact this Act.

14 (2) Section 10, Chapter 620, Acts of the 63rd
15 Legislature, Regular Session, 1973, provides that the
16 act is severable. The revised law omits the provision
17 because it duplicates Section 311.032, Government Code
18 (Code Construction Act), which provides that a
19 provision of a statute is severable from each other
20 provision of the statute that can be given effect. The
21 omitted law reads:

22 Sec. 10. If any word, phrase, clause,
23 paragraph, sentence, part, portion, or
24 provision of this Act or the application
25 thereof to any person or circumstances
26 shall be held to be invalid or
27 unconstitutional, the remainder of the Act
28 shall nevertheless be valid; and the
29 Legislature hereby declares that this Act
30 would have been enacted without such
31 invalid or unconstitutional word, phrase,
32 clause, paragraph, sentence, part, portion,
33 or provision.

34 CHAPTER 8246. LAVACA COUNTY FLOOD CONTROL DISTRICT NO. 3

35 SUBCHAPTER A. GENERAL PROVISIONS

36 Sec. 8246.001. DEFINITIONS 1368
37 Sec. 8246.002. NATURE OF DISTRICT 1369
38 Sec. 8246.003. DISTRICT TERRITORY 1372

39 [Sections 8246.004-8246.050 reserved for expansion]

40 SUBCHAPTER B. BOARD OF DIRECTORS

41 Sec. 8246.051. COMPOSITION OF BOARD 1373
42 Sec. 8246.052. DIRECTOR'S BOND; TREASURER'S BOND 1375
43 Sec. 8246.053. OFFICIAL ACTIONS; QUORUM 1376

1	Sec. 8246.054.	BOARD MEETINGS	1377
2	Sec. 8246.055.	BOARD COMPENSATION FOR ATTENDING	
3		MEETINGS	1377
4	Sec. 8246.056.	OFFICERS	1378
5		[Sections 8246.057-8246.100 reserved for expansion]	
6		SUBCHAPTER C. GENERAL POWERS AND DUTIES	
7	Sec. 8246.101.	MUNICIPAL UTILITY DISTRICT POWERS;	
8		GENERAL POWERS	1379
9	Sec. 8246.102.	EMINENT DOMAIN	1380
10	Sec. 8246.103.	CONTRACTS AND WARRANTS	1382
11		[Sections 8246.104-8246.150 reserved for expansion]	
12		SUBCHAPTER D. FLOOD CONTROL	
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14	Sec. 8246.152.	EASEMENT OVER AND RELOCATION OF ROADS	1388
15	Sec. 8246.153.	MAINTENANCE OF FEDERAL FLOOD CONTROL	
16		PROJECTS	1389
17		[Sections 8246.154-8246.200 reserved for expansion]	
18		SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS	
19	Sec. 8246.201.	PETITION AND ELECTION AUTHORIZING AD	
20		VALOREM TAX; TAX LIMIT	1389
21	Sec. 8246.202.	NOTICE FOR AND MANNER OF HOLDING AD	
22		VALOREM TAX ELECTION	1392
23	Sec. 8246.203.	TAX LAWS APPLICABLE	1393
24		[Sections 8246.204-8246.250 reserved for expansion]	
25		SUBCHAPTER F. BONDS	
26	Sec. 8246.251.	PETITION FOR BOND ELECTION	1393
27	Sec. 8246.252.	DATE AND NOTICE OF PETITION HEARING	1394
28	Sec. 8246.253.	HEARING AND DETERMINATION ON PETITION	1395
29	Sec. 8246.254.	ELECTION FOR, ISSUANCE OF, AND SALE OF	
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31		CHAPTER 8246. LAVACA COUNTY FLOOD CONTROL DISTRICT NO. 3	
32		SUBCHAPTER A. GENERAL PROVISIONS	
33		<u>Revised Law</u>	
34	Sec. 8246.001.	DEFINITIONS. In this chapter:	

- 1 (1) "Board" means the district's board of directors.
2 (2) "Director" means a member of the board.
3 (3) "District" means the Lavaca County Flood Control
4 District No. 3.
5 (4) "President" means the president of the board.
6 (5) "Secretary" means the secretary of the board.
7 (Acts 56th Leg., R.S., Ch. 95, Secs. 1 (part), 4 (part); New.)

8 Source Law

9 Sec. 1. . . . a . . . District to be known as
10 Lavaca County Flood Control District Number 3,
11 hereinafter called the District, and

12 Sec. 4. [The District's power shall be exercised
13 through a] Board of Directors, hereinafter referred to
14 as the Board. . . .

15 Revisor's Note

16 The definitions of "director," "president," and
17 "secretary" are added to the revised law for drafting
18 convenience and to eliminate frequent, unnecessary
19 repetition of the substance of the definitions.

20 Revised Law

21 Sec. 8246.002. NATURE OF DISTRICT. (a) The district is a
22 municipal utility district and a conservation and reclamation
23 district as provided by this chapter.

24 (b) The creation of the district is essential to accomplish
25 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
26 56th Leg., R.S., Ch. 95, Sec. 1 (part); New.)

27 Source Law

28 Sec. 1. There is hereby created and established
29 within the State of Texas in addition to the districts
30 into which the state has heretofore been divided in the
31 form and manner hereinafter provided, a Conservation
32 and Reclamation District . . . the creation and
33 establishment of such District being essential to the
34 accomplishment of the purposes of Section 59 of
35 Article XVI of the Constitution of this State, as
36 amended,

37 Revisor's Note

38 (1) Section 1, Chapter 95, Acts of the 56th
39 Legislature, Regular Session, 1959, provides that the
40 district "is hereby created and established." The

1 revised law omits the quoted language as executed.

2 (2) Section 1, Chapter 95, Acts of the 56th
3 Legislature, Regular Session, 1959, states that the
4 district is created "within the State of Texas in
5 addition to the districts into which the state has
6 heretofore been divided." The revised law omits the
7 quoted language because the absence of the language
8 does not imply that the legislature could create a
9 district outside its jurisdiction or that the district
10 is not in addition to any other districts.

11 (3) Section 1, Chapter 95, Acts of the 56th
12 Legislature, Regular Session, 1959, provides that the
13 district is a governmental agency and body politic and
14 corporate, with governmental powers. The revised law
15 omits the provision because it duplicates a portion of
16 Section 59(b), Article XVI, Texas Constitution, which
17 provides that a conservation and reclamation district
18 is a governmental agency and body politic and
19 corporate, with governmental powers conferred by law.
20 The omitted law reads:

21 Sec. 1. . . . Such District shall be
22 a governmental agency and body politic and
23 corporate, with the powers of government
24 and

25 (4) Section 1, Chapter 95, Acts of the 56th
26 Legislature, Regular Session, 1959, provides that the
27 "creation and establishment" of the district is
28 essential to accomplish the purposes of Section 59,
29 Article XVI, Texas Constitution. The revised law
30 omits "establishment" because, in context,
31 "establishment" is included in the meaning of
32 "creation."

33 (5) Section 1, Chapter 95, Acts of the 56th
34 Legislature, Regular Session, 1959, refers to "Section
35 59 of Article XVI of the Constitution of this State, as
36 amended." Throughout this chapter, in reference to

1 constitutional provisions, the revised law omits "as
2 amended" because a statutory reference to a
3 constitutional provision would, in the absence of the
4 phrase, be interpreted as including any amendments to
5 that provision that had been adopted as of the date the
6 statute was enacted. To the extent that "as amended"
7 was intended to incorporate any constitutional
8 amendment adopted after Chapter 95, Acts of the 56th
9 Legislature, Regular Session, 1959, was enacted, the
10 phrase is unnecessary because such an amendment would,
11 by virtue of being part of the constitution, control
12 over a statute.

13 (6) Section 1, Chapter 95, Acts of the 56th
14 Legislature, Regular Session, 1959, includes a list of
15 the purposes of the district under Section 59, Article
16 XVI, Texas Constitution. The revised law omits the
17 list of purposes because it duplicates in substance a
18 portion of Section 59(a), Article XVI, Texas
19 Constitution, which provides for the purposes of
20 conservation and reclamation districts created under
21 that section. The omitted law reads:

22 Sec. 1. . . . [the creation . . . of
23 such District being essential to the
24 accomplishment of the purposes of Section
25 59 of Article XVI of the Constitution of
26 this State] . . . including the control,
27 storing, preservation, and distribution of
28 the storm and floodwaters, and the waters of
29 the rivers and streams in the District and
30 their tributaries, for domestic, municipal,
31 flood control, irrigation, and other useful
32 purposes, the reclamation and drainage of
33 the overflow land within the District, the
34 conservation of forests, and to aid in the
35 protection of navigation on the navigable
36 waters by regulating the flood and storm
37 waters that flow into said navigable
38 streams.

39 (7) The revised law adds a reference to the
40 district as a "municipal utility district" because the
41 district was converted to a municipal utility district
42 on October 26, 1982, by order of the Texas Water

1 Commission. See Sections 54.030-54.036, Water Code.
2 Under both that order and Section 54.034, Water Code,
3 the district now operates under Chapter 54, Water
4 Code. In addition, that order expressly states that
5 the district retains "certain provisions of Chapter
6 95, Acts of the 56th Legislature, Regular Session,
7 1959 under which the District has been operating."
8 Throughout this chapter, therefore, the provisions
9 that were explicitly retained have been revised in
10 accordance with the order, and other provisions from
11 the act have been revised to reflect the district's
12 conversion.

13 Revised Law

14 Sec. 8246.003. DISTRICT TERRITORY. The district is composed
15 of the territory described by Section 1, Chapter 95, Acts of the
16 56th Legislature, Regular Session, 1959, as that territory may have
17 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 Revisor's Note

22 The revision of the law governing the district
23 does not revise the statutory language describing the
24 territory of the district to avoid the lengthy
25 recitation of the description and because that
26 description may not be accurate on the effective date
27 of the revision or at the time of a later reading. For
28 the reader's convenience, the revised law includes
29 references to the statutory description of the
30 district's territory and to the authority to change the
31 district's territory under Subchapter H, Chapter 54,
32 Water Code, applicable to municipal utility districts,
33 and under Subchapter J, Chapter 49, Water Code,
34 applicable to the district under Sections 49.001 and

1 49.002 of that chapter. The revised law also includes
2 a reference to the general authority of the
3 legislature to enact a law to change the district's
4 territory.

5 [Sections 8246.004-8246.050 reserved for expansion]

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Revised Law

8 Sec. 8246.051. COMPOSITION OF BOARD. The board is composed
9 of five elected directors who serve staggered terms. (New.)

10 Revisor's Note

11 (1) Section 4, Chapter 95, Acts of the 56th
12 Legislature, Regular Session, 1959, provides that
13 "[t]he District's power shall be exercised through"
14 the board of directors. The revised law omits the
15 provision because it duplicates, in substance,
16 provisions of Sections 49.051 and 49.057, Water Code.
17 Throughout this chapter, the revised law omits law
18 that is superseded by Chapter 49, Water Code, or that
19 duplicates law contained in that chapter. Chapter 49
20 applies to the district under Sections 49.001 and
21 49.002 of that chapter. The omitted law reads:

22 Sec. 4. The District's power shall be
23 exercised through a [Board of Directors]
24

25 (2) Section 4, Chapter 95, Acts of the 56th
26 Legislature, Regular Session, 1959, refers to a board
27 of seven directors with two ex officio directors and
28 five directors appointed by the governor, the terms of
29 those directors, and the method for filling a vacancy
30 in the position of an appointed director. Section 5,
31 Chapter 95, Acts of the 56th Legislature, Regular
32 Session, 1959, prescribes the qualifications for
33 serving as an appointed director. The revised law
34 omits those provisions because in 1982, when the
35 district was converted to a municipal utility district

1 operating under Chapter 54, Water Code (see Revisor's
2 Note (7) to Section 8246.002), Section 54.036, Water
3 Code, the general law applicable to the board of
4 directors of a district that had converted to a
5 municipal utility district, provided that board
6 members holding office on the date of the conversion
7 would serve only until the uniform election date
8 following conversion of the district, "at which time
9 five directors shall be elected to serve for such
10 period of time and in the same manner as provided in
11 Section 54.029 of this code for directors first
12 elected for a district." See Section 1, Chapter 367,
13 Acts of the 67th Legislature, Regular Session, 1981,
14 amending Section 54.036, Water Code. Section 54.029,
15 Water Code, was one of the sections repealed by Chapter
16 715, Acts of the 74th Legislature, Regular Session,
17 1995, and replaced with similar provisions in Chapter
18 49, Water Code, controlling the election and terms of
19 directors. Section 49.103, Water Code, provides that
20 director elections shall be held on the uniform
21 election date in May of even-numbered years and that
22 elected directors serve terms of four years. Vacancies
23 in the position of an elected director are governed by
24 Section 49.105, Water Code. Qualifications for the
25 position of a municipal utility district director are
26 governed by Section 54.102, Water Code.

27 Finally, Section 4, Chapter 95, Acts of the 56th
28 Legislature, Regular Session, 1959, provides that each
29 director appointed by the governor serves until the
30 director's successor is appointed and has qualified.
31 The revised law omits that provision because it
32 duplicates Section 17, Article XVI, Texas
33 Constitution, which provides that an officer in this
34 state is to continue to perform the officer's duties

1 until the successor has qualified.

2 As a convenience to the reader, the revised law
3 provides that the board is composed of five elected
4 directors, which is the number of directors required
5 for a municipal utility district under Section 54.101,
6 Water Code, and preserves the staggered terms
7 established for appointed directors under Section 4,
8 Chapter 95, Acts of the 56th Legislature, Regular
9 Session, 1959. The omitted law reads:

10 Sec. 4. [The District's power shall
11 be exercised through a Board of Directors,
12 hereinafter referred to as the Board.] The
13 County Judge of Lavaca County and the Mayor
14 of the City of Hallettsville in Lavaca
15 County shall be ex-officio members of the
16 Board. Five (5) other Directors shall be
17 appointed by the Governor of Texas for terms
18 of two (2) years, with three (3) Directors'
19 terms expiring on February 1 of each
20 even-numbered year and two (2) Directors'
21 terms expiring on February 1 of each
22 odd-numbered year. Each Director named by
23 the Governor shall serve until his
24 successor shall have been appointed and
25 shall have qualified. All vacancies in
26 office of Directors named by the Governor
27 shall be filled by him to serve out the
28 unexpired terms of their predecessors.

29 Sec. 5. To be qualified for
30 appointment to the Board of Directors a
31 person must be a qualified property
32 tax-paying voter in the District, and not be
33 a member of the governing body of the City
34 of Hallettsville nor an officer of Lavaca
35 County nor an employee of either. . . .

36 Revised Law

37 Sec. 8246.052. DIRECTOR'S BOND; TREASURER'S BOND. (a) Each
38 director shall give bond in the amount of \$1,000 for the faithful
39 performance of the director's duties.

40 (b) The treasurer of the district shall give bond in the
41 amount of \$2,500 for the faithful performance of the treasurer's
42 duties. (Acts 56th Leg., R.S., Ch. 95, Sec. 5 (part).)

43 Source Law

44 Sec. 5. . . . Each appointed Director shall
45 . . . give bond for the faithful performance of his
46 duties in the amount of One Thousand Dollars (\$1,000).
47 The Treasurer of the District shall give bond for the
48 faithful performance of his duties in the amount of Two
49 Thousand Five Hundred Dollars (\$2,500).

1 Revisor's Note

2 Section 5, Chapter 95, Acts of the 56th
3 Legislature, Regular Session, 1959, refers to the
4 performance bond required of each "appointed"
5 director. The revised law omits "appointed" because,
6 following the conversion to a municipal utility
7 district, the district is governed by a board of
8 elected directors. (See Revisor's Note (2) to Section
9 8246.051.)

10 Revised Law

11 Sec. 8246.053. OFFICIAL ACTIONS; QUORUM. (a) The board
12 shall perform official actions by resolution.

13 (b) Two-thirds of the board constitutes a quorum for the
14 transaction of any business of the district.

15 (c) A majority vote of those present is sufficient in any
16 official action, including final passage and enactment of a
17 resolution. (Acts 56th Leg., R.S., Ch. 95, Sec. 6(a) (part).)

18 Source Law

19 Sec. 6. (a) The Board of Directors shall
20 perform official actions by resolution and two-thirds
21 (2/3) of their number shall constitute a quorum for the
22 transaction of any and all business of the District. A
23 majority vote of those present shall be sufficient in
24 all official actions including final passage and
25 enactment of all resolutions;

26 Revisor's Note

27 Section 6(a), Chapter 95, Acts of the 56th
28 Legislature, Regular Session, 1959, requires a
29 two-thirds vote of the board to approve the site of a
30 dam to be constructed by the district within two years
31 after the effective date of the act. The revised law
32 omits the provision as executed. The omitted law
33 reads:

34 (a) . . . provided, however, that the
35 site or location of any dam to be
36 constructed by the District within two (2)
37 years after this Act becomes a Law shall be
38 approved by a two-thirds (2/3) vote of the
39 Board of Directors of this Authority.

1 Revised Law

2 Sec. 8246.054. BOARD MEETINGS. (a) The board shall hold
3 regular meetings at least once every three months. The dates of
4 regular meetings must be established in the district's bylaws or by
5 resolution.

6 (b) The president or any three directors may call a special
7 meeting as necessary to administer district business. At least
8 five days before the date of a special meeting, the secretary must
9 mail notice of the meeting to the address each director filed with
10 the secretary. A director may waive in writing notices of special
11 meetings. (Acts 56th Leg., R.S., Ch. 95, Sec. 6(b) (part).)

12 Source Law

13 (b) The Board of Directors shall hold regular
14 meetings at least once every three months, the date
15 thereof to be established in the District's bylaws or
16 by resolution. The President or any three members may
17 call such special meetings as may be necessary in the
18 administration of the District's business, provided
19 that at least five (5) days prior to the meeting date
20 the Secretary shall have mailed notice thereof to the
21 address which each member shall file with the
22 Secretary. Notices of special meetings may be waived
23 in writing by any Director. . . .

24 Revised Law

25 Sec. 8246.055. BOARD COMPENSATION FOR ATTENDING MEETINGS.
26 Unless the board by resolution increases the fee to an amount
27 authorized by Section 49.060, Water Code:

28 (1) each director is entitled to receive a fee of \$20
29 for attending each board meeting; and

30 (2) a director may not be paid more than \$40 for
31 meetings held in one calendar month. (Acts 56th Leg., R.S., Ch. 95,
32 Sec. 6(b) (part); New.)

33 Source Law

34 (b) . . . Each Director shall receive a fee of
35 Twenty Dollars (\$20.00) for attending each meeting of
36 the Board, provided that not more than Forty Dollars
37 (\$40.00) shall be paid to any Director for meetings
38 held in any one calendar month.

39 Revisor's Note

40 Section 6(b), Chapter 95, Acts of the 56th
41 Legislature, Regular Session, 1959, provides for a

1 director's fee for attending board meetings. Section
2 49.060, Water Code, enacted in 1995 and applicable by
3 its own terms to the district, authorizes higher fees
4 for each day the director spends performing the duties
5 of a director, which presumably include attendance at
6 board meetings. Section 49.060(e), however, provides
7 that if the amount of the fee set by Section 49.060
8 would result in a fee increase, the increase does not
9 apply to a district unless the district's board by
10 resolution adopts a higher fee. The revised law is
11 drafted accordingly.

12 Revised Law

13 Sec. 8246.056. OFFICERS. (a) The president shall perform
14 those functions that are customarily incident to the office of
15 president.

16 (b) The vice president shall act as president in case of the
17 inability, absence, or failure of the president to act.

18 (c) The secretary may be a director or an individual who is
19 not a director. (Acts 56th Leg., R.S., Ch. 95, Sec. 6(c) (part).)

20 Source Law

21 (c) The President of the District . . . shall
22 perform all other functions which customarily are
23 incident to his office. A Vice-President . . . shall
24 act as President in case of the inability, absence or
25 failure of the President to so act. A Secretary [shall
26 be elected by the Board] with the Board having
27 discretion as to whether such officer shall be chosen
28 from among the members of the Board. . . .

29 Revisor's Note

30 Section 6(c), Chapter 95, Acts of the 56th
31 Legislature, Regular Session, 1959, provides for the
32 election of a board president, vice president, and
33 secretary and provides that the president is the chief
34 executive officer of the district and presides over
35 all board meetings. Section 6(c) also provides that
36 the secretary's duties include the proper keeping of
37 the district's books and records. The revised law
38 omits those provisions because they duplicate in

1 substance Section 49.054, Water Code. The omitted law
2 reads:

3 (c) [The President of the District]
4 shall be elected by the Board of Directors
5 from among its members, and shall be the
6 chief executive officer of the District. He
7 shall preside at the meetings of the Board
8 and [A Vice-President] shall be
9 elected by the Board from among its members,
10 and [A Secretary] shall be elected
11 by the Board The Secretary shall be
12 charged with the duty of seeing that all
13 books and records of the District are
14 properly kept.

15 Revisor's Note
16 (End of Subchapter)

17 Section 5, Chapter 95, Acts of the 56th
18 Legislature, Regular Session, 1959, provides that each
19 director must subscribe to the constitutional oath of
20 office. The revised law omits that provision because
21 Section 1, Article XVI, Texas Constitution, requires
22 all officers in this state to take the oath (or
23 affirmation) before assuming office. The omitted law
24 reads:

25 Sec. 5. . . . [Each appointed
26 Director shall] subscribe to the
27 Constitutional oath of office for appointed
28 officers and

29 [Sections 8246.057-8246.100 reserved for expansion]

30 SUBCHAPTER C. GENERAL POWERS AND DUTIES

31 Revised Law

32 Sec. 8246.101. MUNICIPAL UTILITY DISTRICT POWERS; GENERAL
33 POWERS. (a) The district has and may exercise the powers,
34 functions, duties, and privileges provided by general law
35 applicable to a municipal utility district, including those
36 conferred by Chapters 49 and 54, Water Code.

37 (b) The district may exercise the rights, privileges, and
38 functions provided by this chapter. (Acts 56th Leg., R.S., Ch. 95,
39 Sec. 1 (part); New.)

40 Source Law

41 Sec. 1. . . . Such district [shall be a
42 governmental agency] . . . with the authority to
43 exercise the rights, privileges, and functions

1 hereinafter specified,

2 Revisor's Note

3 Because the district converted to a municipal
4 utility district, Chapter 54, Water Code, applies to
5 the district under Section 54.034 of that code. See
6 Revisor's Note (7) to Section 8246.002. For the
7 reader's convenience, the revised law adds a reference
8 to Chapter 49, Water Code, because Chapter 715, Acts of
9 the 74th Legislature, Regular Session, 1995, repealed
10 many provisions of Chapter 54 and enacted similar
11 provisions in Chapter 49, Water Code. The revised law
12 therefore includes a reference to the general powers,
13 functions, duties, and privileges of a municipal
14 utility district operating under Chapters 49 and 54,
15 Water Code, as provided by Section 54.034, Water Code,
16 to reflect the law applicable to the district.

17 Revised Law

18 Sec. 8246.102. EMINENT DOMAIN. The district may exercise
19 the power of eminent domain inside district boundaries to acquire
20 property of any kind, or an interest in property, necessary or
21 convenient for the district to exercise a right, power, privilege,
22 or function conferred on the district by this chapter. (Acts 56th
23 Leg., R.S., Ch. 95, Sec. 8 (part).)

24 Source Law

25 Sec. 8. The District shall have the right and
26 power of eminent domain for the purpose of acquiring by
27 condemnation any and all property of any kind, real,
28 personal, or mixed, or any interest therein, within
29 the boundaries of the District, necessary or
30 convenient to the exercise of the rights, powers,
31 privileges, and functions conferred upon it by this
32 Act. . . .

33 Revisor's Note

34 (1) Section 8, Chapter 95, Acts of the 56th
35 Legislature, Regular Session, 1959, provides that the
36 district "shall have the right and power of eminent
37 domain for the purpose of acquiring [property] by
38 condemnation." The revised law substitutes "may

1 exercise the power of eminent domain . . . to acquire
2 property" for the quoted language because the phrases
3 have the same meaning and the revised phrase is
4 consistent with modern usage in law relating to
5 eminent domain.

6 (2) Section 8, Chapter 95, Acts of the 56th
7 Legislature, Regular Session, 1959, refers to "real,
8 personal, or mixed" property. The revised law omits
9 the quoted language because under Section 311.005(4),
10 Government Code (Code Construction Act), "property"
11 includes real and personal and, by extension, mixed
12 property.

13 (3) Section 8, Chapter 95, Acts of the 56th
14 Legislature, Regular Session, 1959, refers to Title
15 52, Revised Civil Statutes of Texas, 1925, as one of
16 two methods the district may use to exercise the power
17 of eminent domain. That statute was codified as
18 Chapter 21, Property Code. The alternate method is
19 described as the method provided for water control and
20 improvement districts under "Section 126 of Chapter
21 25, Acts 1925, 39th Legislature, Regular Session, as
22 amended (codified as Vernon's Texas Civil Statutes,
23 Article 7880-126)." The eminent domain powers granted
24 to a water control and improvement district were
25 codified as Subchapter F, Chapter 51, Water Code, and
26 later repealed and replaced by similar provisions in
27 Chapter 49, Water Code. The revised law omits the
28 references to the two methods because they duplicate,
29 in substance, Section 49.222, Water Code.

30 Section 8 also duplicates Section 49.222 by
31 stating that in a condemnation proceeding the district
32 is not required to give bond for appeal or costs, and
33 the revised law omits that reference accordingly. The
34 omitted law reads:

1 statute, unless expressly provided otherwise.

2 (2) Section 13, Chapter 95, Acts of the 56th
3 Legislature, Regular Session, 1959, refers to
4 "cities." Throughout this chapter, the revised law
5 substitutes "municipality" for "cities" or for "city
6 or town" because the meaning of "municipality"
7 includes both cities and towns and "municipality" is
8 the term used in the Local Government Code.

9 [Sections 8246.104-8246.150 reserved for expansion]

10 SUBCHAPTER D. FLOOD CONTROL

11 Revised Law

12 Sec. 8246.151. FLOOD CONTROL POWERS AND DUTIES. The
13 district may:

14 (1) exercise a power, right, privilege, or function
15 conferred by general law on a flood control district created under
16 Section 59, Article XVI, Texas Constitution, as applicable to
17 Lavaca County and essential to the flood control project;

18 (2) devise plans and construct works to lessen and
19 control floods;

20 (3) reclaim land in the district;

21 (4) prevent the deposit of silt in navigable streams;

22 (5) remove natural or artificial obstructions from
23 streams and other watercourses;

24 (6) regulate the flow of surface and floodwaters;

25 (7) provide drainage essential to the flood control
26 project;

27 (8) acquire, by gift, devise, purchase, or
28 condemnation, land, a right or interest in land, or any other
29 character of property needed to carry on the work of flood control;

30 (9) sell, trade, or otherwise dispose of land or other
31 property, or a right in the property, no longer needed for the flood
32 control project or flood control purposes;

33 (10) use the bed and banks of a bayou, river, or stream
34 in the district, subject to the concurrence of the Texas Commission

1 on Environmental Quality;

2 (11) authorize its officers, employees, or agents to
3 enter any land in the district to make or examine a survey in
4 connection with a flood control plan or project or for any other
5 authorized purpose;

6 (12) overflow or inundate any public land or public
7 property, and require the relocation of a road or highway, in the
8 manner and to the extent permitted to a district organized under
9 general law under Section 59, Article XVI, Texas Constitution,
10 subject to the concurrence of the state agency with jurisdiction
11 over the land or property or the Texas Transportation Commission,
12 as applicable;

13 (13) appoint a flood control manager and any agents or
14 employees of the county as necessary for flood control purposes,
15 including an engineer and counsel, prescribe their duties, and set
16 the amounts of their bonds and compensation;

17 (14) cooperate or contract with the United States to
18 receive and use money from a grant, loan, or advancement to exercise
19 a power or further a purpose under this chapter;

20 (15) contribute to the United States in connection
21 with any project undertaken by the United States that affects or
22 relates to flood control in Lavaca County;

23 (16) cooperate or contract with an agency or political
24 subdivision of this state, including a municipality in Lavaca
25 County, in relation to:

26 (A) a survey;

27 (B) the acquisition of land or a right-of-way; or

28 (C) the construction, maintenance, or financing
29 of all or part of a project in connection with any matter within the
30 scope of this chapter;

31 (17) contract with an agency or political subdivision
32 of this state, including a municipality in Lavaca County, for the
33 imposition of taxes on behalf of and for the benefit of the
34 district;

1 (18) sue and be sued under the laws of this state; and
2 (19) perform any act necessary or proper to carry out
3 the powers described by this section or Section 8246.152. (Acts
4 56th Leg., R.S., Ch. 95, Sec. 2 (part).)

5 Source Law

6 Sec. 2. In addition to the powers given to the
7 Commissioners Court by General Laws and in addition to
8 the general powers herein given, it shall be
9 authorized in connection with the Lavaca County Flood
10 Control District to exercise the following added
11 rights, powers, privileges, and functions:

12 a. To acquire land and rights and interest
13 therein and any other character of property needed to
14 carry on the work of flood control, by gift, devise,
15 purchase, or condemnation;

16 b. To sell, trade, or otherwise dispose of
17 land or other property or rights therein when the same
18 are no longer needed for the project or flood control
19 purposes;

20 c. To appoint a Flood Control Manager and
21 such agents and employees of the county for flood
22 control purposes as may be necessary, including an
23 engineer and counsel, and to prescribe their duties
24 and fix their bonds and compensations;

25 d. To authorize its officers, employees,
26 or agents to go upon any lands lying within the
27 District for the purpose of making surveys and
28 examining the same in connection with Flood Control
29 Plans and Projects, and for any other lawful purpose
30 within the scope of its authority;

31 e. To devise plans and construct works to
32 lessen and control floods; to reclaim lands in the
33 District; to prevent the deposit of silt in navigable
34 streams; to remove obstructions, natural or
35 artificial, from streams and water courses; to
36 regulate the flow of surface and floodwaters; and to
37 provide drainage where essential to the Flood Control
38 Project;

39 f. To exercise all powers, rights,
40 privileges, and functions conferred by General Law
41 upon Flood Control Districts created pursuant to
42 Section 59 of Article XVI of the Constitution of Texas,
43 as amended, so far as the same may be applicable to
44 Lavaca County and essential to the Flood Control
45 Project;

46 g. To co-operate with and contract with
47 the United States of America or with any of its
48 agencies now existing, or which may be created
49 hereafter, for grants, loans, or advancements to carry
50 out any of the powers or to further any of the purposes
51 set forth in this Act and to receive and use said
52 moneys for such purposes; or to contribute to the
53 United States of America or any of its agencies in
54 connection with any project undertaken by it affecting
55 or relating to flood control in Lavaca County;

56 h. To co-operate with, or to contract
57 with, any agency or political subdivision of the
58 state, or any city or town within Lavaca County in
59 relation to surveys, the acquisition of land or
60 right-of-ways, the construction or maintenance of
61 projects or parts thereof or the financing of the same
62 in connection with any matter within the scope of this
63 Act; and to contract with such agencies for the

1 assessing and collecting of taxes on behalf of, and for
2 the benefit of the District;

3 i. To make use of the bed and banks of the
4 bayous, rivers, and streams lying within the District;
5 subject however, to the concurrence of the State Board
6 of Water Engineers;

7 j. To overflow or inundate any public
8 lands and public property, and to require the
9 relocation of roads and highways, in the manner and to
10 the extent permitted to any district organized under
11 General Laws, pursuant to Section 59 of Article XVI of
12 the Constitution of this state, as amended, subject
13 however, to the concurrence of the state agency having
14 jurisdiction over such lands or property, or the State
15 Highway Commission, as the case may be;

16
17 l. To sue and be sued in any proper case
18 under the laws of this state; and all courts shall take
19 judicial notice of this Act;

20 m. To do any and all other acts or things
21 necessary or proper to carry into effect the foregoing
22 powers.

23 Revisor's Note

24 (1) Section 2, Chapter 95, Acts of the 56th
25 Legislature, Regular Session, 1959, authorizes the
26 district to exercise certain powers "[i]n addition to
27 the powers given to the Commissioners Court by General
28 Laws and in addition to the general powers herein
29 given." The revised law omits the quoted language
30 because the substance of Chapter 95 and of the general
31 laws applies according to the terms of each of those
32 laws and because the absence of the phrase does not
33 imply that the district has no additional powers.

34 (2) Section 2(d), Chapter 95, Acts of the 56th
35 Legislature, Regular Session, 1959, provides for the
36 entry onto district land for any "lawful purpose
37 within the scope of its authority." The revised law
38 substitutes "authorized purpose" for the quoted
39 language because, as a general principle of law, a
40 district's scope of authority may only include
41 purposes that are lawful, and "authorized purpose" is
42 more concise.

43 (3) Section 2(g), Chapter 95, Acts of the 56th
44 Legislature, Regular Session, 1959, refers to the
45 United States of America or "any of its agencies now

1 existing, or which may be created hereafter."
2 Throughout this chapter, the revised law omits the
3 references to agencies of the United States because
4 this reference simply describes every type of federal
5 agency and, under Section 311.005, Government Code
6 (Code Construction Act), "United States" includes a
7 department, bureau, or other agency of the United
8 States of America.

9 (4) Section 2(h), Chapter 95, Acts of the 56th
10 Legislature, Regular Session, 1959, refers to the
11 district's authority for "assessing and collecting"
12 taxes. Throughout this chapter, the revised law
13 substitutes "impose" (or "imposition") for "assess,"
14 "collect," or "levy" because "impose" is the term
15 generally used in Title 1, Tax Code, and includes the
16 assessment, collection, or levy of a tax.

17 (5) Section 2(i), Chapter 95, Acts of the 56th
18 Legislature, Regular Session, 1959, refers to the
19 "State Board of Water Engineers." The revised law
20 substitutes "Texas Commission on Environmental
21 Quality" for "State Board of Water Engineers" to
22 reflect the current name of the agency with the
23 relevant regulatory authority.

24 (6) Section 2(j), Chapter 95, Acts of the 56th
25 Legislature, Regular Session, 1959, refers to the
26 "State Highway Commission." Throughout this chapter,
27 the revised law substitutes "Texas Transportation
28 Commission" for "State Highway Commission" to reflect
29 the current name of the agency with the relevant
30 regulatory authority.

31 (7) Section 2(l), Chapter 95, Acts of the 56th
32 Legislature, Regular Session, 1959, provides the
33 authority to sue and be sued "in any proper case" under
34 the laws of this state. The revised law omits the

1 quoted language because a suit or "case" may be brought
2 only in a court, and the general laws of civil
3 jurisdiction and the courts determine which suits are
4 "proper."

5 (8) Section 2(1), Chapter 95, Acts of the 56th
6 Legislature, Regular Session, 1959, provides that "all
7 courts shall take judicial notice of this Act." The
8 revised law omits the quoted language.

9 If the quoted language directs the courts to take
10 judicial notice of the creation of the district, it
11 duplicates, in substance, Section 49.066(a), Water
12 Code, which provides that "[a]ll courts shall take
13 judicial notice of the creation of the district and of
14 its boundaries."

15 If the quoted language directs the courts to take
16 judicial notice of the law enacted by the act, it is
17 unnecessary because each person, including a member of
18 the judiciary, is presumed to know the law. *E. H.*
19 *Stafford Mfg. Co. v. Wichita School Supply Co.*, 23
20 S.W.2d 695 (Tex. 1930) (holding that manufacturer's
21 reliance on counsel's mistaken construction of statute
22 does not provide sufficient good cause to defeat an
23 application to affirm judgment for the school supply
24 company). See also *City of Houston v. Garrett*, 816
25 S.W.2d 800 (Tex. App.--Houston, 1991) Rehearing denied
26 (holding that delay in filing a workers' compensation
27 claim is not excused by ignorance of the statutory
28 deadline). The role of a court of this state is to know
29 and apply the law in its jurisdiction; judicial notice
30 is not required for laws enacted by the legislature of
31 this state.

32 Revised Law

33 Sec. 8246.152. EASEMENT OVER AND RELOCATION OF ROADS. The
34 district has a right-of-way and easement over and across a road or

1 highway of this state or a subdivision of this state for the
2 construction or maintenance of a district flood control project,
3 subject to the concurrence of the Texas Transportation Commission
4 if the project requires the relocation or bridging of a state
5 highway. (Acts 56th Leg., R.S., Ch. 95, Sec. 2 (part).)

6 Source Law

7 Sec. 2. . . .

8 . . .
9 k. The District shall have a right-of-way
10 and easement over and across the roads and highways of
11 the state and its subdivisions for the construction
12 and maintenance of the flood control projects of the
13 District, subject however, to the concurrence of the
14 State Highway Commission whenever such projects
15 require the relocation or bridging of State highways;
16 . . .

17 Revised Law

18 Sec. 8246.153. MAINTENANCE OF FEDERAL FLOOD CONTROL
19 PROJECTS. The district is entitled to maintain a flood control
20 project constructed in Lavaca County by the United States if the
21 project:

22 (1) extends wholly or partly into the district or is
23 within five miles of the boundaries of the district; and

24 (2) is considered by the board to protect property in
25 the district. (Acts 56th Leg., R.S., Ch. 95, Sec. 2a.)

26 Source Law

27 Sec. 2a. The District shall have the right to
28 maintain any flood control project constructed in
29 Lavaca County by the United States Government or any of
30 its agencies, if such project extends into the
31 District in whole or in part, or lies within 5 miles of
32 the boundaries of the District and, in the opinion of
33 the Board of Directors of the District, is for the
34 protection of property within the District.

35 [Sections 8246.154-8246.200 reserved for expansion]

36 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

37 Revised Law

38 Sec. 8246.201. PETITION AND ELECTION AUTHORIZING AD VALOREM
39 TAX; TAX LIMIT. (a) The board may impose on all taxable property in
40 the district an annual tax at a rate not to exceed 15 cents on the
41 \$100 valuation.

42 (b) Before an election is held on the ad valorem tax

1 proposition, a petition for the tax must be presented to the board.
2 The petition must be signed by 10 percent of the registered voters
3 who own taxable property in the district.

4 (c) The petition, election order, and notice of the election
5 must state:

6 (1) the specific tax rate to be voted on or that the
7 rate may not exceed the limit under Subsection (a); and

8 (2) one or more of the purposes authorized by this
9 chapter for which the tax money may be spent.

10 (d) The total amount of all taxes imposed by the district
11 for all purposes may not exceed 15 cents on the \$100 valuation.
12 (Acts 56th Leg., R.S., Ch. 95, Secs. 9(a), (b), 11.)

13 Source Law

14 Sec. 9. (a) The Board of Directors of the
15 District may levy and cause to be collected an annual
16 tax upon all taxable property in the District, not to
17 exceed fifteen cents (15¢) on the One Hundred
18 (\$100.00) Dollars valuation, subject to the following
19 provisions:

20 (b) Before an election is held to determine the
21 proposition of the levy of such tax a petition
22 therefor, signed by ten percent (10%) of the qualified
23 electors who own taxable property in the District and
24 who have duly rendered the same for taxation as shown
25 by the records of the Tax Assessor-Collector of Lavaca
26 County, Texas shall be presented to the Board. The
27 petition, election order and notice of election shall
28 state the specific rate of tax to be voted on or that
29 the rate shall not exceed the limit herein authorized,
30 and one or more of the purposes authorized by this Act
31 for which the tax moneys may be expended.

32 Sec. 11. The total of all taxes levied by the
33 District for all purposes shall never exceed fifteen
34 cents (15¢) on the One Hundred (\$100.00) Dollars
35 valuation.

36 Revisor's Note

37 (1) Section 9(a), Chapter 95, Acts of the 56th
38 Legislature, Regular Session, 1959, refers to a "tax
39 upon all taxable property in the District." The
40 revised law specifies that the tax is an "ad valorem"
41 tax because that is the terminology used in Title 1,
42 Tax Code, to refer to taxes on property.

43 (2) Section 9(b), Chapter 95, Acts of the 56th
44 Legislature, Regular Session, 1959, refers to

1 "qualified electors" of the district. The revised law
2 substitutes "registered voters" for "qualified
3 electors" because "voter" is the term used in the
4 Election Code, and, in the context of eligibility to
5 sign a petition, Section 277.0021, Election Code,
6 provides that "qualified voter" means a "registered
7 voter."

8 (3) Section 9(b), Chapter 95, Acts of the 56th
9 Legislature, Regular Session, 1959, states that
10 property owners who sign a tax petition must "have duly
11 rendered the same [property] for taxation as shown by
12 the records of the Tax Assessor-Collector of Lavaca
13 County, Texas." The revised law omits the quoted
14 language because, in context, "property" means "real
15 property," and the Property Tax Code (Title 1, Tax
16 Code) does not require an owner of real property to
17 render the property for ad valorem taxation.

18 (4) Section 9(c), Chapter 95, Acts of the 56th
19 Legislature, Regular Session, 1959, states that the
20 election must be held within 30 days from the date the
21 petition is presented to the board. The revised law
22 omits the provision as superseded by Section 3.005,
23 Election Code, applicable to the district under
24 Section 1.002, Election Code. Section 3.005, as
25 amended by Chapter 925, Acts of the 78th Legislature,
26 Regular Session, 2003, requires an election order
27 issued by the authority of a political subdivision to
28 be issued not later than the 62nd day before the
29 election day and provides that Section 3.005
30 supersedes a law outside the Election Code to the
31 extent of any conflict. The omitted law reads:

32 (c) Election on the propositions
33 contained in the petition shall be held
34 within thirty (30) days from the date of
35 presentation of the petition to the
36 Board. . . .

1 Revised Law

2 Sec. 8246.202. NOTICE FOR AND MANNER OF HOLDING AD VALOREM
3 TAX ELECTION. (a) Notice of an election under Section 8246.201
4 must be published once each week for two weeks in a newspaper that
5 is published in Lavaca County and has general circulation in the
6 district.

7 (b) The date of the first publication of notice must be not
8 less than 20 days and not more than 30 days before the date of the
9 election.

10 (c) The presiding judge for each voting place shall appoint
11 the necessary judges and clerks to assist the presiding judge in
12 holding the election. (Acts 56th Leg., R.S., Ch. 95, Sec. 3(a)
13 (part).)

14 Source Law

15 Sec. 3. (a) . . .
16 Notice of said election shall be published in a
17 newspaper published in Lavaca County and of general
18 circulation in the District once each week for two (2)
19 weeks, the first of such publications being not more
20 than thirty (30) days nor less than twenty (20) days
21 immediately prior to the date of the election. [The
22 Board of Directors shall appoint a presiding judge]
23 for each of the voting places and each of the presiding
24 judges shall appoint the necessary judges and clerks
25 to assist him in holding the election.
26 . . .

27 Revisor's Note

28 (1) Section 3(a), Chapter 95, Acts of the 56th
29 Legislature, Regular Session, 1959, provides that the
30 board shall appoint the presiding judge for each
31 voting place. The revised law omits that provision
32 because it duplicates Section 32.005, Election Code,
33 which applies to the district under Section 32.011,
34 Election Code. The omitted law reads:

35 (a) . . .
36 . . . The Board of Directors shall
37 appoint a presiding judge [for each of the
38 voting places] . . .

39 (2) Section 9(c), Chapter 95, Acts of the 56th
40 Legislature, Regular Session, 1959, provides that the
41 district shall provide notice of and hold an ad valorem

1 tax election as provided for elections for the
2 confirmation of the district under Section 3 of that
3 chapter. The revised law omits the part of Section
4 9(c) from Chapter 95 that refers to the election
5 provisions under Section 3 of that chapter because the
6 notice and manner of holding the election is revised in
7 this section and it is not necessary to provide a
8 cross-reference to it. The omitted law reads:

9 (c) . . . Notice and manner of
10 holding the election shall be governed by
11 the same provisions as those for holding
12 elections for confirmation of the District,
13 provided in Section 3 of this Act.

14 Revised Law

15 Sec. 8246.203. TAX LAWS APPLICABLE. The laws of this state
16 relating to the imposition of ad valorem taxes and collection of
17 delinquent taxes by a water control and improvement district apply
18 to the district. (Acts 56th Leg., R.S., Ch. 95, Sec. 12.)

19 Source Law

20 Sec. 12. All laws of the State of Texas
21 relating to the levy, assessment and collection of ad
22 valorem taxes and delinquent taxes by Water Control
23 and Improvement Districts shall be applicable to the
24 District.

25 [Sections 8246.204-8246.250 reserved for expansion]

26 SUBCHAPTER F. BONDS

27 Revised Law

28 Sec. 8246.251. PETITION FOR BOND ELECTION. (a) A petition
29 requesting an election on the proposition of the issuance of bonds
30 for any purpose authorized in this chapter may be presented to the
31 board.

32 (b) The petition must be signed by at least 50 registered,
33 property tax paying voters residing in the district.

34 (c) The petition must state:

- 35 (1) the amount of bonds to be voted on;
36 (2) the general nature of the work to be done;
37 (3) the necessity for and feasibility of the work;
38 (4) the estimated cost; and

1 (5) the operating costs. (Acts 56th Leg., R.S., Ch.
2 95, Sec. 14.)

3 Source Law

4 Sec. 14. A petition requesting election on the
5 proposition of the issuance of bonds for any purpose
6 authorized in this Act may be presented to the Board.
7 It shall be signed by not less than fifty (50)
8 qualified property taxpaying voters residing in the
9 District who have duly rendered their property for
10 taxation. The petition shall state the amount of bonds
11 to be voted on, the general nature of the work to be
12 done, the necessity therefor, the feasibility thereof,
13 the estimated cost and the operating costs.

14 Revisor's Note

15 (1) Section 14, Chapter 95, Acts of the 56th
16 Legislature, Regular Session, 1959, refers to
17 "qualified" voters. The revised law substitutes
18 "registered" for "qualified" for the reason stated in
19 Revisor's Note (2) to Section 8246.201.

20 (2) Section 14, Chapter 95, Acts of the 56th
21 Legislature, Regular Session, 1959, provides that a
22 bond petition must be signed by property tax paying
23 voters "who have duly rendered their property for
24 taxation." The revised law omits the quoted language
25 for the reason stated in Revisor's Note (3) to Section
26 8246.201.

27 Revised Law

28 Sec. 8246.252. DATE AND NOTICE OF PETITION HEARING. (a) The
29 board shall set a date for a public hearing on the petition that is
30 not more than 30 days after the date the petition is filed with the
31 board.

32 (b) Notice of the hearing must be published once a week for
33 two consecutive weeks in a newspaper of general circulation in the
34 district. The first publication of notice must be not less than 20
35 days before the date of the hearing.

36 (c) The secretary shall post or cause to be posted for at
37 least 15 days before the date of the hearing a copy of the notice at
38 the courthouse door of Lavaca County and at three other public
39 places in the district that will give reasonable notice throughout

1 the district. (Acts 56th Leg., R.S., Ch. 95, Sec. 15.)

2 Source Law

3 Sec. 15. The Board shall set a date for public
4 hearing on the petition, which shall be not more than
5 thirty (30) days from date the petition is filed with
6 it. Notice of such hearing shall be given by
7 publication once a week for two (2) consecutive weeks
8 in a newspaper of general circulation in the District,
9 the first of which notices shall not be less than
10 twenty (20) days before the hearing. In addition, the
11 Secretary of the District shall post or cause to be
12 posted for at least fifteen (15) days prior to the date
13 of hearing a copy of such notice at the courthouse door
14 of Lavaca County and at three (3) other public places
15 in the District which will give reasonable notice
16 throughout the District.

17 Revised Law

18 Sec. 8246.253. HEARING AND DETERMINATION ON PETITION. (a)
19 The board shall consider and determine all matters brought before
20 the board at the hearing.

21 (b) If the board determines that the proposed improvements
22 are feasible and practicable and a benefit to the public, the board
23 shall grant the petition and order the requested election. If the
24 board refuses the petition, the board's reasons must be stated in
25 the minutes of the board. The board's decision is final. (Acts
26 56th Leg., R.S., Ch. 95, Sec. 16.)

27 Source Law

28 Sec. 16. The Board shall consider and determine
29 all matters brought before it upon the hearing. Should
30 it determine that the proposed improvements are
31 feasible and practicable, and a benefit to the public
32 it shall grant the petition and order the election
33 requested. Should the Board refuse the petition its
34 reasons shall be stated upon its minutes. Decision of
35 the Board in either event shall be final.

36 Revised Law

37 Sec. 8246.254. ELECTION FOR, ISSUANCE OF, AND SALE OF
38 BONDS. (a) Except as provided by this section, the election for,
39 issuance of, and sale of district bonds are governed by the
40 provisions of Chapters 1201, 1207, 1251, and 1431, Government Code,
41 that pertain to the election for, issuance of, and sale of bonds by
42 counties.

43 (b) As determined by the board, district bonds mature
44 serially not later than 30 years after the date of their issuance.

1 (c) District bonds may be sold only by sealed competitive
2 bids to the highest bidder.

3 (d) Notice of a proposed sale must be published in a
4 financial publication of general circulation in this state once a
5 week for two consecutive weeks. The date of the first publication
6 must be at least 15 days before the date of the proposed sale.

7 (e) District bonds must be signed by the president and
8 attested by the secretary. (Acts 56th Leg., R.S., Ch. 95, Sec. 17.)

9 Source Law

10 Sec. 17. (a) All provisions of Chapter 1 of
11 Title 22, Revised Civil Statutes of Texas, 1925, as
12 they now exist and as they may be hereafter amended,
13 pertaining to the election for, issuance and sale of
14 bonds by counties shall govern in the election for,
15 issuance and sale of bonds of the District, except as
16 in this Section further provided.

17 (b) The bonds shall mature serially in such
18 number of years as may be determined by the Board not
19 to exceed thirty (30) years.

20 (c) No bonds shall be sold except upon sealed
21 competitive bids, and to the highest bidder.

22 (d) Notice of any proposed sale shall be given
23 by a notice published once a week for two (2)
24 consecutive weeks, the first publication being at
25 least fifteen (15) days prior to day of sale, in some
26 financial publication of general circulation in Texas.

27 (e) All bonds shall be signed by the President
28 of the Board of Directors of the District, attested by
29 the Secretary of the Board, and with the seal of the
30 District impressed thereon.

31 Revisor's Note

32 (1) Section 17, Chapter 95, Acts of the 56th
33 Legislature, Regular Session, 1959, refers to the
34 "provisions of Chapter 1 of Title 22, Revised Civil
35 Statutes of Texas, 1925, as they now exist and as they
36 may be hereafter amended, pertaining to the election
37 for, issuance and sale of bonds by counties." Those
38 provisions are revised in Chapters 1201, 1207, 1251,
39 and 1431, Government Code. The revised law is drafted
40 accordingly.

41 (2) Section 17(e), Chapter 95, Acts of the 56th
42 Legislature, Regular Session, 1959, provides that
43 district bonds must be issued "with the seal of the
44 District impressed thereon." The revised law omits the

1 quoted language because that requirement was impliedly
2 repealed by Section 3, Bond Procedures Act of 1981
3 (Article 717k-6, Vernon's Texas Civil Statutes)
4 (revised in pertinent part in 1999 as Section
5 1201.026(a), Government Code), which provides that
6 bonds may be signed with or without a seal.

7 Revisor's Note
8 (End of Chapter)

9 (1) Sections 3, 7, 10(a), 19, and 20, Chapter
10 95, Acts of the 56th Legislature, Regular Session,
11 1959, provide for the confirmation of the district,
12 the district's succession to certain properties and
13 contracts of two former districts, the authorization
14 of a tax at the district's confirmation election, the
15 validation of a former district, and the repeal of
16 prior conflicting laws. The revised law omits the
17 provisions as executed. The omitted law reads:

18 Sec. 3. (a) It is provided, however,
19 that the District shall not exercise any of
20 the power or authority conferred by this Act
21 unless and until its establishment is
22 confirmed at an election held throughout
23 the District. The Board of Directors of the
24 District shall order the election at which
25 there shall be submitted the question of
26 whether or not the establishment of the
27 District shall be confirmed.

28 . . .
29 If a majority of the votes cast at the
30 election is in favor of confirmation, the
31 Board of Directors shall so declare, and
32 thereafter the District shall have all the
33 powers and authority conferred by this Act.

34 (b) If a majority of the votes cast at
35 the election is against confirmation, then
36 the Board shall, upon presentation to it
37 within thirty (30) days from the date of the
38 first election of a petition signed by at
39 least twenty percent (20%) of the qualified
40 electors in the District as shown by the
41 last approved tax rolls of Lavaca County,
42 call a second election for confirmation of
43 the District. This election shall be held
44 not later than forty (40) days from the day
45 the petition is presented to the Board. It
46 shall be conducted in all respects as the
47 first election for confirmation of the
48 District.

49 If a majority of the votes cast at the
50 second election is in favor of
51 confirmation, the Board of Directors shall
52 so declare, and thereafter the District

1 shall have all the powers and authority
2 conferred by this Act.

3 Sec. 7. Lavaca County Flood Control
4 District Number 3, shall succeed to all
5 properties and contracts, excluding moneys
6 on hand, of its two predecessors, which were
7 the Lavaca County Flood Control District
8 created by Chapter 361, Acts of the 47th
9 Legislature, 1941, Regular Session, and the
10 Lavaca County Flood Control District
11 created by Chapter 183, Acts of the 50th
12 Legislature, 1947, Regular Session (this
13 latter Act codified as Article 8280-128 of
14 Vernon's Texas Civil Statutes), insofar as
15 such properties and contracts apply to the
16 area included within Lavaca County Flood
17 Control District Number 3.

18 Sec. 10. (a) The Board of Directors
19 may, at the same time it submits the
20 question of whether or not the
21 establishment of the District shall be
22 confirmed, also submit a separate
23 proposition as to whether there may be
24 levied a tax for one or more of the purposes
25 authorized by this Act for which tax money
26 of the District may be expended. The
27 election order and notice of election shall
28 state the specific rate of tax to be levied
29 or that the rate shall not exceed fifteen
30 cents (15¢) on the One Hundred (\$100.00)
31 Dollars valuation.

32 Sec. 19. The Lavaca County Flood
33 Control District heretofore created by
34 Chapter 183, Acts of the 50th Legislature,
35 Regular Session, 1947, is in all things
36 validated, and any and all acts heretofore
37 performed or done by the District or in
38 relation to the District or in connection
39 with the District are in all things
40 validated.

41 Sec. 20. All laws and parts of laws
42 in conflict with this Act are repealed; and
43 there is expressly repealed Chapter 361,
44 Acts of the 47th Legislature, 1941, Regular
45 Session, and Chapter 183, Acts of the 50th
46 Legislature, 1947, Regular Session.

47 (2) Sections 10(b) and 18, Chapter 95, Acts of
48 the 56th Legislature, Regular Session, 1959, provide
49 for the severability of provisions of Chapter 95. The
50 revised law omits those provisions because they
51 duplicate Section 311.032, Government Code (Code
52 Construction Act), which states that a provision of a
53 statute is severable from each other provision of the
54 statute that can be given effect. The omitted law
55 reads:

56 [Sec. 10]

1 (b) The provisions of this Section 10
2 and of Section 9 of this Act are distinct,
3 cumulative and severable, each of the
4 other.

5 Sec. 18. If any provision of this Act
6 or the application thereof to any person or
7 circumstances is held invalid, such
8 invalidity shall not affect other
9 provisions or applications of the Act which
10 can be given effect without the invalid
11 provision or application, and to this end
12 the provisions of this Act are declared to
13 be severable.

14 CHAPTER 8259. LONGHORN TOWN UTILITY DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8259.001. DEFINITIONS 1399
17 Sec. 8259.002. NATURE OF DISTRICT 1400
18 Sec. 8259.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1401
19 Sec. 8259.004. DISTRICT TERRITORY 1402

20 [Sections 8259.005-8259.050 reserved for expansion]

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8259.051. COMPOSITION OF BOARD 1403

23 [Sections 8259.052-8259.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 8259.101. MUNICIPAL UTILITY DISTRICT POWERS 1405

26 CHAPTER 8259. LONGHORN TOWN UTILITY DISTRICT

27 SUBCHAPTER A. GENERAL PROVISIONS

28 Revised Law

29 Sec. 8259.001. DEFINITIONS. In this chapter:

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

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

32 (3) "District" means the Longhorn Town Utility
33 District of Harris County, Texas. (Acts 62nd Leg., R.S., Ch. 659,
34 Sec. 1 (part); New.)

35 Source Law

36 Sec. 1. . . . [a . . . district] in Harris
37 County, Texas, to be known as Longhorn Town Utility
38 District, hereinafter called the "district,"

39 Revisor's Note

40 The definitions of "board" and "director" are
41 added to the revised law for drafting convenience and

1 to eliminate frequent, unnecessary repetition of the
2 substance of the definitions.

3 Revised Law

4 Sec. 8259.002. NATURE OF DISTRICT. The district is a
5 conservation and reclamation district in Harris County created
6 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
7 R.S., Ch. 659, Sec. 1 (part).)

8 Source Law

9 Sec. 1. . . . there is hereby created and
10 established, under and pursuant to the provisions of
11 Article XVI, Section 59 of the Constitution of Texas, a
12 conservation and reclamation district in Harris
13 County, Texas, . . . which shall be a governmental
14 agency and a body politic and corporate. . . .

15 Revisor's Note

16 (1) Section 1, Chapter 659, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides that the
18 district is "created and established." The revised
19 law omits "established" because the meaning of that
20 word is included in the meaning of "created."

21 (2) Section 1, Chapter 659, Acts of the 62nd
22 Legislature, Regular Session, 1971, provides that the
23 district is created notwithstanding certain laws
24 relating to consent. The revised law omits that
25 provision as executed because the district has been
26 created. The omitted law reads:

27 Sec. 1. Notwithstanding provisions
28 of the general laws relating to consent by
29 political subdivisions for the creation of
30 conservation and reclamation districts,
31 [there is hereby created . . . a
32 conservation and reclamation district]
33

34 (3) Section 1, Chapter 659, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to the
36 district as "a governmental agency and a body politic
37 and corporate." The revised law omits the quoted
38 language because it duplicates a portion of Section
39 59(b), Article XVI, Texas Constitution, which provides
40 that a conservation and reclamation district is a

1 governmental agency and a body politic and corporate.

2 Revised Law

3 Sec. 8259.003. 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 62nd Leg., R.S., Ch. 659, Secs. 1 (part), 3.)

12 Source Law

13 Sec. 1. . . . The creation and establishment of
14 the district is hereby declared to be essential to the
15 accomplishment of the purposes of Article XVI, Section
16 59 of the Constitution of Texas.

17 Sec. 3. It is determined and found that all of
18 the land and other property included within the area
19 and boundaries of the district will be benefited by the
20 works and project which are to be accomplished by the
21 district pursuant to the powers conferred by the
22 provisions of Article XVI, Section 59 of the
23 Constitution of Texas, and that said district is
24 created to serve a public use and benefit.

25 Revisor's Note

26 (1) Section 1, Chapter 659, Acts of the 62nd
27 Legislature, Regular Session, 1971, provides that the
28 "creation and establishment" of the district are
29 essential to accomplish the purposes of Section 59,
30 Article XVI, Texas Constitution. The revised law
31 omits "establishment" because its meaning is included
32 in the meaning of "creation."

33 (2) Section 3, Chapter 659, Acts of the 62nd
34 Legislature, Regular Session, 1971, refers to land and
35 other property included within the "area and
36 boundaries of the district." The revised law omits the
37 reference to "area" because, in context, "area" is
38 included in the meaning of "boundaries."

1 Revised Law

2 Sec. 8259.004. DISTRICT TERRITORY. (a) The district is
3 composed of the territory described by Section 4, Chapter 659, Acts
4 of the 62nd Legislature, Regular Session, 1971, as that territory
5 may have been 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 copying the field notes in the legislative
11 process or another mistake in the field notes does not affect:

- 12 (1) the district's organization, existence, or
13 validity;
14 (2) the district's right to issue any type of bonds for
15 a purpose for which the district is created or to pay the principal
16 of and interest on the bonds;
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. (Acts 62nd Leg., R.S., Ch. 659, Sec. 2; New.)

20 Source Law

21 Sec. 2. It is determined and found that the
22 boundaries and field notes of the district form a
23 closure. If any mistake is made in copying the field
24 notes in the legislative process or otherwise a
25 mistake is made in the field notes, it shall in no way
26 affect the organization, existence and validity of the
27 district, or the right of the district to issue any
28 type of bonds or refunding bonds for the purposes for
29 which the district is created or to pay the principal
30 and interest thereon, or the right to assess, levy and
31 collect taxes, or in any other manner affect the
32 legality or operation of the district or its governing
33 body.

34 Revisor's Note

35 (1) The revision of the law governing the
36 district does not revise the statutory language
37 describing the territory of the district to avoid the
38 lengthy recitation of the description and because that
39 description may not be accurate on the effective date
40 of the revision or at the time of a later reading. For

1 the reader's convenience, the revised law includes
2 references to the statutory description of the
3 district's territory and to the authority to change the
4 district's territory under Subchapter H, Chapter 54,
5 Water Code, applicable to municipal utility districts,
6 and under Subchapter J, Chapter 49, Water Code,
7 applicable to the district under Sections 49.001 and
8 49.002 of that chapter. The revised law also includes
9 a reference to the general authority of the
10 legislature to enact a law to change the district's
11 territory.

12 (2) Section 2, Chapter 659, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that a
14 mistake in the description of the district boundaries
15 does not affect the right of the district to issue "any
16 type of bonds or refunding bonds." The revised law
17 omits the reference to "refunding bonds" because
18 refunding bonds are included in the meaning of "any
19 type of bonds."

20 (3) Section 2, Chapter 659, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to the
22 district's authority to "assess, levy and collect"
23 taxes. The revised law substitutes "impose" for
24 "assess, levy and collect" because "impose" is the
25 term generally used in Title 1, Tax Code, and includes
26 the assessment, levy, and collection of a tax.

27 [Sections 8259.005-8259.050 reserved for expansion]

28 SUBCHAPTER B. BOARD OF DIRECTORS

29 Revised Law

30 Sec. 8259.051. COMPOSITION OF BOARD. The board of
31 directors is composed of five elected directors. (Acts 62nd Leg.,
32 R.S., Ch. 659, Sec. 6 (part).)

33 Source Law

34 Sec. 6. . . . Succeeding directors shall be
35 elected or

1 Revisor's Note

2 (1) Section 6, Chapter 659, Acts of the 62nd
3 Legislature, Regular Session, 1971, refers to the
4 initial board of directors and to vacancy procedures.
5 The revised law omits the language relating to the
6 creation of the initial board as executed. The revised
7 law omits the language relating to vacancy procedures
8 for the initial board as executed and, to the extent
9 the language may apply to subsequently appointed
10 directors, because it duplicates in substance Section
11 49.105(c), Water Code. That section applies to the
12 district under Sections 49.001 and 49.002, Water Code.
13 The omitted law reads:

14 Sec. 6. Immediately after this Act
15 becomes effective, the following named
16 persons shall be the directors of the
17 district and shall constitute the board of
18 directors of the district:

19 Bob Lindsay
20 Joe Parks
21 Gary Pearce
22 Rick Shubert
23 Jon Starnes

24 Said persons shall qualify to serve as
25 directors prior to the first meeting of the
26 board of directors. Should any of the above
27 named directors fail to qualify for any
28 reason, the remaining named directors shall
29 appoint someone to fill such vacancy or
30 vacancies; provided, however, that if at
31 any time the number of qualified directors
32 shall be less than three because of the
33 failure or refusal of one or more directors
34 to qualify or serve or because of his or
35 their death or incapacitation, or for any
36 such other reason, the Texas Water Rights
37 Commission shall appoint the necessary
38 number of directors to fill all vacancies on
39 the board. The directors above named or
40 their duly appointed and qualified
41 successor or successors shall serve until
42 the second Saturday in January, 1973. . . .

43 (2) Section 6, Chapter 659, Acts of the 62nd
44 Legislature, Regular Session, 1971, refers to
45 "[s]ucceeding directors" to distinguish the
46 succeeding directors from the initial directors named
47 in that section. The revised law substitutes "five"
48 for "succeeding" to conform to the number of directors

1 listed in Section 6 (establishing the initial board).

2 (3) Section 6, Chapter 659, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides for
4 directors to be elected or appointed and to serve for
5 the term and in the manner provided by Chapter 54,
6 Water Code. Chapter 715, Acts of the 74th Legislature,
7 Regular Session, 1995, repealed the relevant
8 provisions of Chapter 54 and enacted similar
9 provisions in Chapter 49, Water Code, including
10 Section 49.103, which governs the terms of office and
11 manner of election of directors of a municipal utility
12 district that is required by law to elect its
13 directors. The revised law omits any reference to
14 Chapter 49, Water Code, because Chapter 49 applies to
15 the district under Sections 49.001 and 49.002 of that
16 chapter. The revised law also omits "appointed"
17 because it is clear from the context of Section 6 that
18 the reference applies only to directors appointed to
19 fill vacancies as provided by Chapter 49, Water Code.
20 The omitted law reads:

21 Sec. 6. . . . [Succeeding directors
22 shall be elected or] appointed and shall
23 serve for the term and in the manner
24 provided by Chapter 54, Title 4, Water Code,
25 for directors first elected.

26 [Sections 8259.052-8259.100 reserved for expansion]

27 SUBCHAPTER C. POWERS AND DUTIES

28 Revised Law

29 Sec. 8259.101. MUNICIPAL UTILITY DISTRICT POWERS. The
30 district has the rights, powers, privileges, and functions
31 conferred by general law applicable to a municipal utility
32 district, including Chapters 49 and 54, Water Code. (Acts 62nd
33 Leg., R.S., Ch. 659, Sec. 5 (part); New.)

34 Source Law

35 Sec. 5. The district is hereby vested with, and
36 shall have and exercise, all of the rights, powers,
37 privileges, authority and functions conferred by the
38 general laws of this state applicable to municipal

1 utility districts, including without limitation those
2 conferred by Chapter 54, Title 4, Water Code, but
3

4 Revisor's Note

5 (1) Section 5, Chapter 659, Acts of the 62nd
6 Legislature, Regular Session, 1971, provides that the
7 district "is hereby vested with, and shall have and
8 exercise" certain powers. The revised law substitutes
9 "has" for the quoted language because, in context, the
10 terms are synonymous and "has" is more commonly used.

11 (2) Section 5, Chapter 659, Acts of the 62nd
12 Legislature, Regular Session, 1971, refers to the
13 "rights, powers, privileges, [and] authority" of the
14 district. The revised law omits the reference to
15 "authority" because, in context, "authority" is
16 included in the meaning of "rights, powers, [and]
17 privileges."

18 (3) Section 5, Chapter 659, Acts of the 62nd
19 Legislature, Regular Session, 1971, grants the
20 district certain powers, "including without
21 limitation those conferred by Chapter 54, Title 4,
22 Water Code." The revised law omits "without
23 limitation" because Section 311.005(13), Government
24 Code (Code Construction Act), provides that "includes"
25 and "including" are terms of enlargement and not of
26 limitation and do not create a presumption that
27 components not expressed are excluded.

28 (4) Section 5, Chapter 659, Acts of the 62nd
29 Legislature, Regular Session, 1971, refers to Chapter
30 54, Water Code. For the reader's convenience, the
31 revised law adds a reference to Chapter 49, Water Code,
32 because Chapter 715, Acts of the 74th Legislature,
33 Regular Session, 1995, repealed many provisions of
34 Chapter 54 and enacted similar provisions in Chapter
35 49, Water Code, which applies to the district under
36 Sections 49.001 and 49.002 of that chapter.

1 (5) Section 5, Chapter 659, Acts of the 62nd
2 Legislature, Regular Session, 1971, provides that the
3 act prevails over general law in case of a conflict or
4 other inconsistency and that all general laws
5 applicable to municipal utility districts not in
6 conflict or inconsistent with the provisions of the
7 act are adopted and incorporated by reference. The
8 revised law omits the portion of the provision
9 relating to the act prevailing over general law
10 because it duplicates in substance Section 311.026(b),
11 Government Code (Code Construction Act). The revised
12 law omits the portion of the provision relating to
13 adoption and incorporation of general laws because
14 Section 5 of Chapter 659 (revised as this section)
15 already provides that those laws apply to the
16 district, and it is unnecessary to repeat that
17 authority. The omitted law reads:

18 Sec. 5. . . . if any provision of
19 such general laws shall be in conflict or
20 inconsistent with the provisions of this
21 Act, the provisions of this Act shall
22 prevail. All such general laws applicable
23 to municipal utility districts not in
24 conflict or inconsistent with the
25 provisions of this Act are hereby adopted
26 and incorporated by reference with the same
27 effect as if copied in full in this Act.

28 Revisor's Note
29 (End of Chapter)

30 (1) Section 7, Chapter 659, Acts of the 62nd
31 Legislature, Regular Session, 1971, contains
32 legislative findings relating to the performance of
33 the requirements of Section 59(d), Article XVI, Texas
34 Constitution, and to the authority of the legislature
35 to enact that chapter. The revised law omits the
36 provision as executed. The omitted law reads:

37 Sec. 7. The Legislature specifically
38 finds and declares that the requirements of
39 Article XVI, Section 59(d) of the
40 Constitution of Texas have been performed
41 and accomplished in due course and time and
42 order, and that the Legislature has the

1 power and authority to enact this Act.

2 (2) Section 8, Chapter 659, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 act is severable. The revised law omits that provision
5 because it duplicates Section 311.032, Government Code
6 (Code Construction Act), which provides that a
7 provision of a statute is severable from each other
8 provision of the statute that can be given effect. The
9 omitted law reads:

10 Sec. 8. If any word, phrase, clause,
11 paragraph, sentence, part, portion or
12 provision of this Act or the application
13 thereof to any persons or circumstance
14 shall be held to be invalid or
15 unconstitutional, the remainder of the Act
16 shall nevertheless be valid and the
17 Legislature hereby declares that this Act
18 would have been enacted without such
19 invalid or unconstitutional word, phrase,
20 clause, paragraph, sentence, part, portion
21 or provision.

22 CHAPTER 8260. LOUETTA NORTH PUBLIC UTILITY DISTRICT

23 SUBCHAPTER A. GENERAL PROVISIONS

24 Sec. 8260.001. DEFINITIONS 1408
25 Sec. 8260.002. NATURE OF DISTRICT 1409
26 Sec. 8260.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1410
27 Sec. 8260.004. DISTRICT TERRITORY 1411

28 [Sections 8260.005-8260.050 reserved for expansion]

29 SUBCHAPTER B. BOARD OF DIRECTORS

30 Sec. 8260.051. COMPOSITION OF BOARD 1413

31 [Sections 8260.052-8260.100 reserved for expansion]

32 SUBCHAPTER C. POWERS AND DUTIES

33 Sec. 8260.101. MUNICIPAL UTILITY DISTRICT POWERS 1414

34 CHAPTER 8260. LOUETTA NORTH PUBLIC UTILITY DISTRICT

35 SUBCHAPTER A. GENERAL PROVISIONS

36 Revised Law

37 Sec. 8260.001. DEFINITIONS. In this chapter:

- 38 (1) "Board" means the district's board of directors.
39 (2) "Director" means a member of the board.
40 (3) "District" means the Louetta North Public Utility

1 District. (Acts 62nd Leg., R.S., Ch. 685, Sec. 1 (part); New.)

2 Source Law

3 Sec. 1. . . . [a . . . district] . . . to be
4 known as "Louetta North Public Utility District,"
5 hereinafter called the "district,"

6 Revisor's Note

7 The definitions of "board" and "director" are
8 added to the revised law for drafting convenience and
9 to eliminate frequent, unnecessary repetition of the
10 substance of the definitions.

11 Revised Law

12 Sec. 8260.002. NATURE OF DISTRICT. The district is a
13 conservation and reclamation district in Harris County created
14 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
15 R.S., Ch. 685, Sec. 1 (part).)

16 Source Law

17 Sec. 1. . . . there is hereby created and
18 established, under and pursuant to the provisions of
19 Article XVI, Section 59 of the Constitution of Texas, a
20 conservation and reclamation district in Harris
21 County, Texas, . . . which shall be a governmental
22 agency and a body politic and corporate. . . .

23 Revisor's Note

24 (1) Section 1, Chapter 685, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that the
26 district is "created and established." The revised
27 law omits "established" because the meaning of that
28 word is included in the meaning of "created."

29 (2) Section 1, Chapter 685, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 district is created notwithstanding certain laws
32 relating to consent. The revised law omits that
33 provision as executed because the district has been
34 created. The omitted law reads:

35 Sec. 1. Notwithstanding provisions
36 of the general laws relating to consent by
37 political subdivisions for the creation of
38 conservation and reclamation districts,
39 [there is hereby created . . . a
40 conservation and reclamation district]
41

1 (3) Section 1, Chapter 685, Acts of the 62nd
2 Legislature, Regular Session, 1971, refers to the
3 district as "a governmental agency and a body politic
4 and corporate." The revised law omits the quoted
5 language because it duplicates a portion of Section
6 59(b), Article XVI, Texas Constitution, which provides
7 that a conservation and reclamation district is a
8 governmental agency and a body politic and corporate.

9 Revised Law

10 Sec. 8260.003. 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 boundaries
13 of the district will benefit from the works and projects
14 accomplished by the district under the powers conferred by Section
15 59, Article XVI, 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 62nd Leg., R.S., Ch. 685, Secs. 1 (part), 3.)

19 Source Law

20 Sec. 1. . . . The creation and establishment of
21 the district is hereby declared to be essential to the
22 accomplishment of the purposes of Article XVI, Section
23 59 of the Constitution of Texas.

24 Sec. 3. It is determined and found that all of
25 the land and other property included within the area
26 and boundaries of the district will be benefited by the
27 works and project which are to be accomplished by the
28 district pursuant to the powers conferred by the
29 provisions of Article XVI, Section 59 of the
30 Constitution of Texas, and that said district is
31 created to serve a public use and benefit.

32 Revisor's Note

33 (1) Section 1, Chapter 685, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that the
35 "creation and establishment" of the district are
36 essential to accomplish the purposes of Section 59,
37 Article XVI, Texas Constitution. The revised law
38 omits "establishment" because its meaning is included
39 in the meaning of "creation."

1 (2) Section 3, Chapter 685, Acts of the 62nd
2 Legislature, Regular Session, 1971, refers to land and
3 other property included within the "area and
4 boundaries of the district." The revised law omits the
5 reference to "area" because, in context, "area" is
6 included in the meaning of "boundaries."

7 Revised Law

8 Sec. 8260.004. DISTRICT TERRITORY. (a) The district is
9 composed of the territory described by Section 4, Chapter 685, Acts
10 of the 62nd Legislature, Regular Session, 1971, as that territory
11 may have been 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 copying the field notes in the legislative
17 process or another mistake in the field notes does not affect:

18 (1) the district's organization, existence, or
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. (Acts 62nd Leg., R.S., Ch. 685, Sec. 2; New.)

26 Source Law

27 Sec. 2. It is determined and found that the
28 boundaries and field notes of the district form a
29 closure. If any mistake is made in copying the field
30 notes in the legislative process or otherwise a
31 mistake is made in the field notes, it shall in no way
32 affect the organization, existence and validity of the
33 district, or the right of the district to issue any
34 type of bonds or refunding bonds for the purposes for
35 which the district is created or to pay the principal
36 and interest thereon, or the right to assess, levy and
37 collect taxes, or in any other manner affect the
38 legality or operation of the district or its governing
39 body.

1 Revisor's Note

2 (1) The revision of the law governing the
3 district does not revise the statutory language
4 describing the territory of the district to avoid the
5 lengthy recitation of the description and because that
6 description may not be accurate on the effective date
7 of the revision or at the time of a later reading. For
8 the reader's convenience, the revised law includes
9 references to the statutory description of the
10 district's territory and to the authority to change the
11 district's territory under Subchapter H, Chapter 54,
12 Water Code, applicable to municipal utility districts,
13 and under Subchapter J, Chapter 49, Water Code,
14 applicable to the district under Sections 49.001 and
15 49.002 of that chapter. The revised law also includes
16 a reference to the general authority of the
17 legislature to enact a law to change the district's
18 territory.

19 (2) Section 2, Chapter 685, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that a
21 mistake in the description of the district boundaries
22 does not affect the right of the district to issue "any
23 type of bonds or refunding bonds." The revised law
24 omits the reference to "refunding bonds" because
25 refunding bonds are included in the meaning of "any
26 type of bonds."

27 (3) Section 2, Chapter 685, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to the
29 district's authority to "assess, levy and collect"
30 taxes. The revised law substitutes "impose" for
31 "assess, levy and collect" because "impose" is the
32 term generally used in Title 1, Tax Code, and includes
33 the assessment, levy, and collection of a tax.

34 [Sections 8260.005-8260.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Revised Law

3 Sec. 8260.051. COMPOSITION OF BOARD. The board of
4 directors is composed of five elected directors. (Acts 62nd Leg.,
5 R.S., Ch. 685, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . Succeeding directors shall be
8 elected or

9 Revisor's Note

10 (1) Section 6, Chapter 685, Acts of the 62nd
11 Legislature, Regular Session, 1971, refers to the
12 initial board of directors and to vacancy procedures.
13 The revised law omits the language relating to the
14 creation of the initial board as executed. The revised
15 law omits the language relating to vacancy procedures
16 for the initial board as executed and, to the extent
17 the language may apply to subsequently appointed
18 directors, because it duplicates in substance Section
19 49.105(c), Water Code. That section applies to the
20 district under Sections 49.001 and 49.002, Water Code.
21 The omitted law reads:

22 Sec. 6. Immediately after this Act
23 becomes effective, the following named
24 persons shall be the directors of the
25 district and shall constitute the board of
26 directors of the district:

27 James E. Babcock
28 Robert P. Cochran
29 Robert T. Parker
30 Boyce V. Jones
31 R. M. Pearson

32 Said persons shall qualify to serve as
33 directors prior to the first meeting of the
34 board of directors. Should any of the above
35 named directors fail to qualify for any
36 reason, the remaining named directors shall
37 appoint someone to fill such vacancy or
38 vacancies; provided, however, that if at
39 any time the number of qualified directors
40 shall be less than three because of the
41 failure or refusal of one or more directors
42 to qualify or serve or because of his or
43 their death or incapacitation, or for any
44 such other reason, the Texas Water Rights
45 Commission shall appoint the necessary
46 number of directors to fill all vacancies on
47 the board. The directors above named or
48 their duly appointed and qualified

1 successor or successors shall serve until
2 the second Saturday in January, 1973. . . .

3 (2) Section 6, Chapter 685, Acts of the 62nd
4 Legislature, Regular Session, 1971, refers to
5 "[s]ucceeding directors" to distinguish the
6 succeeding directors from the initial directors named
7 in that section. The revised law substitutes "five"
8 for "succeeding" to conform to the number of directors
9 listed in Section 6 (establishing the initial board).

10 (3) Section 6, Chapter 685, Acts of the 62nd
11 Legislature, Regular Session, 1971, provides for
12 directors to be elected or appointed and to serve for
13 the term and in the manner provided by Chapter 54,
14 Water Code. Chapter 715, Acts of the 74th Legislature,
15 Regular Session, 1995, repealed the relevant
16 provisions of Chapter 54 and enacted similar
17 provisions in Chapter 49, Water Code, including
18 Section 49.103, which governs the terms of office and
19 manner of election of directors of a municipal utility
20 district that is required by law to elect its
21 directors. The revised law omits any reference to
22 Chapter 49, Water Code, because Chapter 49 applies to
23 the district under Sections 49.001 and 49.002 of that
24 chapter. The revised law also omits "appointed"
25 because it is clear from the context of Section 6 that
26 the reference applies only to directors appointed to
27 fill vacancies as provided by Chapter 49, Water Code.
28 The omitted law reads:

29 Sec. 6. . . . [Succeeding directors
30 shall be elected or] appointed and shall
31 serve for the term and in the manner
32 provided by Chapter 54, Title 4, Water Code.

33 [Sections 8260.052-8260.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 8260.101. MUNICIPAL UTILITY DISTRICT POWERS. The
37 district has the rights, powers, privileges, and functions

1 conferred by general law applicable to a municipal utility
2 district, including Chapters 49 and 54, Water Code. (Acts 62nd
3 Leg., R.S., Ch. 685, Sec. 5 (part); New.)

4 Source Law

5 Sec. 5. The district is hereby vested with, and
6 shall have and exercise, all of the rights, powers,
7 privileges, authority and functions conferred by the
8 general laws of this state applicable to municipal
9 utility districts, including without limitation those
10 conferred by Chapter 54, Title 4, Water Code, but
11

12 Revisor's Note

13 (1) Section 5, Chapter 685, Acts of the 62nd
14 Legislature, Regular Session, 1971, provides that the
15 district "is hereby vested with, and shall have and
16 exercise" certain powers. The revised law substitutes
17 "has" for the quoted language because, in context, the
18 terms are synonymous and "has" is more commonly used.

19 (2) Section 5, Chapter 685, Acts of the 62nd
20 Legislature, Regular Session, 1971, refers to the
21 "rights, powers, privileges, [and] authority" of the
22 district. The revised law omits the reference to
23 "authority" because, in context, "authority" is
24 included in the meaning of "rights, powers, [and]
25 privileges."

26 (3) Section 5, Chapter 685, Acts of the 62nd
27 Legislature, Regular Session, 1971, grants the
28 district certain powers, "including without
29 limitation those conferred by Chapter 54, Title 4,
30 Water Code." The revised law omits "without
31 limitation" because Section 311.005(13), Government
32 Code (Code Construction Act), provides that "includes"
33 and "including" are terms of enlargement and not of
34 limitation and do not create a presumption that
35 components not expressed are excluded.

36 (4) Section 5, Chapter 685, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to Chapter

1 54, Water Code. For the reader's convenience, the
2 revised law adds a reference to Chapter 49, Water Code,
3 because Chapter 715, Acts of the 74th Legislature,
4 Regular Session, 1995, repealed many provisions of
5 Chapter 54 and enacted similar provisions in Chapter
6 49, Water Code, which applies to the district under
7 Sections 49.001 and 49.002 of that chapter.

8 (5) Section 5, Chapter 685, Acts of the 62nd
9 Legislature, Regular Session, 1971, provides that the
10 act prevails over general law in case of a conflict or
11 other inconsistency and that all general laws
12 applicable to municipal utility districts not in
13 conflict or inconsistent with the provisions of the
14 act are adopted and incorporated by reference. The
15 revised law omits the portion of the provision
16 relating to the act prevailing over general law
17 because it duplicates in substance Section 311.026(b),
18 Government Code (Code Construction Act). The revised
19 law omits the portion of the provision relating to
20 adoption and incorporation of general laws because
21 Section 5 of Chapter 685 (revised as this section)
22 already provides that those laws apply to the
23 district, and it is unnecessary to repeat that
24 authority. The omitted law reads:

25 Sec. 5. . . . if any provision of
26 such general laws shall be in conflict or
27 inconsistent with the provisions of this
28 Act, the provisions of this Act shall
29 prevail. All such general laws applicable
30 to municipal utility districts not in
31 conflict or inconsistent with the
32 provisions of this Act are hereby adopted
33 and incorporated by reference with the same
34 effect as if copied in full in this Act.

35 Revisor's Note
36 (End of Chapter)

37 (1) Section 7, Chapter 685, Acts of the 62nd
38 Legislature, Regular Session, 1971, contains
39 legislative findings relating to the performance of

1 the requirements of Section 59(d), Article XVI, Texas
2 Constitution, and to the authority of the legislature
3 to enact that chapter. The revised law omits the
4 provision as executed. The omitted law reads:

5 Sec. 7. The Legislature specifically
6 finds and declares that the requirements of
7 Article XVI, Section 59(d) of the
8 Constitution of Texas have been performed
9 and accomplished in due course and time and
10 order, and that the Legislature has the
11 power and authority to enact this Act.

12 (2) Section 8, Chapter 685, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 act is severable. The revised law omits that provision
15 because it duplicates Section 311.032, Government Code
16 (Code Construction Act), which provides that a
17 provision of a statute is severable from each other
18 provision of the statute that can be given effect. The
19 omitted law reads:

20 Sec. 8. If any word, phrase, clause,
21 paragraph, sentence, part, portion or
22 provision of this Act or the application
23 thereof to any persons or circumstances
24 shall be held to be invalid or
25 unconstitutional, the remainder of the Act
26 shall nevertheless be valid and the
27 Legislature hereby declares that this Act
28 would have been enacted without such
29 invalid or unconstitutional word, phrase,
30 clause, paragraph, sentence, part, portion
31 or provision.

32 CHAPTER 8262. LOUETTA ROAD UTILITY DISTRICT

33 SUBCHAPTER A. GENERAL PROVISIONS

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29		SUBCHAPTER A. GENERAL PROVISIONS	
30		<u>Revised Law</u>	
31	Sec. 8262.001.	DEFINITIONS. In this chapter:	
32		(1) "Board" means the board of directors of the	
33		district.	
34		(2) "Director" means a member of the board.	

1 (3) "District" means the Louetta Road Utility
2 District. (Acts 61st Leg., R.S., Ch. 749, Sec. 1 (part); New.)

3 Source Law

4 Sec. 1. . . . [a . . . district . . .] to be
5 known as "Louetta Road Utility District," hereinafter
6 called the "district,"

7 Revisor's Note

8 The definitions of "board" and "director" are
9 added to the revised law for drafting convenience and
10 to eliminate frequent, unnecessary repetition of the
11 substance of the definitions.

12 Revised Law

13 Sec. 8262.002. NATURE OF DISTRICT. The district is a
14 municipal utility district and a conservation and reclamation
15 district in Harris County created under Section 59, Article XVI,
16 Texas Constitution. (Acts 61st Leg., R.S., Ch. 749, Sec. 1 (part);
17 New.)

18 Source Law

19 Sec. 1. Under and pursuant to the provisions of
20 Article XVI, Section 59, Constitution of Texas, a
21 conservation and reclamation district is hereby
22 created and established in Harris County, Texas, . . .
23 which shall be a governmental agency and a body politic
24 and corporate. . . .

25 Revisor's Note

26 (1) Section 1, Chapter 749, Acts of the 61st
27 Legislature, Regular Session, 1969, provides that the
28 district is "created and established" in Harris
29 County, Texas. The revised law omits "established"
30 because the meaning of that word is included in the
31 meaning of "created."

32 (2) Section 1, Chapter 749, Acts of the 61st
33 Legislature, Regular Session, 1969, refers to the
34 district as "a governmental agency and a body politic
35 and corporate." The revised law omits those
36 references because they duplicate a portion of Section
37 59(b), Article XVI, Texas Constitution, which provides
38 that a conservation and reclamation district is a

1 governmental agency and a body politic and corporate.

2 (3) The revised law adds a reference to the
3 district as a "municipal utility district" because the
4 district was converted from a water control and
5 improvement district to a municipal utility district
6 on November 6, 1978, by order of the Texas Water
7 Commission. See Sections 54.030-54.036, Water Code.
8 Under both that order and Section 54.034, Water Code,
9 the district now operates under Chapter 54, Water
10 Code. Throughout this chapter, references to water
11 control and improvement districts and references to
12 Chapter 51, Water Code (the chapter on water control
13 and improvement districts), have been revised to
14 reflect the district's conversion. In addition, as
15 indicated throughout this chapter, the revised law
16 omits law that is superseded by Chapter 54, Water Code,
17 or that duplicates law contained in that chapter.

18 Revised Law

19 Sec. 8262.003. 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 (d) The accomplishment of the purposes stated in this
28 chapter is for the benefit of the people of this state and for the
29 improvement of their property and industries. The district in
30 carrying out the purposes of this chapter will be performing an
31 essential public function under the Texas Constitution. (Acts 61st
32 Leg., R.S., Ch. 749, Secs. 1 (part), 4, 24 (part).)

33 Source Law

34 Sec. 1. . . . The creation and establishment of
35 the district is hereby declared to be essential to the

1 accomplishment of the purposes of Article XVI, Section
2 59, Constitution of Texas.

3 Sec. 4. It is determined and found that all of
4 the land and other property included within the area
5 and boundaries of the district will be benefited by the
6 works and project which are to be accomplished by the
7 district pursuant to the powers conferred by the
8 provisions of Article XVI, Section 59, Constitution of
9 Texas, and that said district was and is created to
10 serve a public use and benefit.

11 Sec. 24. The accomplishment of the purposes
12 stated in this Act being for the benefit of the people
13 of this state and for the improvement of their
14 properties and industries, the district in carrying
15 out the purposes of this Act will be performing an
16 essential public function under the Constitution, and
17

18 Revisor's Note

19 (1) Section 1, Chapter 749, Acts of the 61st
20 Legislature, Regular Session, 1969, states that the
21 "creation and establishment" of the district is
22 essential to accomplish the purposes of Section 59,
23 Article XVI, Texas Constitution. The revised law
24 omits "establishment" because its meaning is included
25 in the meaning of "creation."

26 (2) Section 4, Chapter 749, Acts of the 61st
27 Legislature, Regular Session, 1969, refers to land and
28 other property included within the "area and
29 boundaries of the district." The revised law omits the
30 reference to "area" because, in context, "area" is
31 included in the meaning of "boundaries."

32 Revised Law

33 Sec. 8262.004. DISTRICT TERRITORY. (a) The district is
34 composed of the territory described by Section 2, Chapter 749, Acts
35 of the 61st Legislature, Regular Session, 1969, as that territory
36 may have been modified under:

37 (1) Subchapter H, Chapter 54, Water Code;

38 (2) Subchapter J, Chapter 49, Water Code;

39 (3) Section 9, Chapter 749, Acts of the 61st
40 Legislature, Regular Session, 1969; or

41 (4) other law.

42 (b) The boundaries and field notes of the district form a

1 closure. A mistake in copying the field notes in the legislative
2 process or another mistake in the field notes does not affect:

3 (1) the district's organization, existence, or
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 the
10 board. (Acts 61st Leg., R.S., Ch. 749, Sec. 3; New.)

11 Source Law

12 Sec. 3. It is determined and found that the
13 boundaries and field notes of the district form a
14 closure; and if any mistake is made in copying the
15 field notes in the legislative process, or otherwise a
16 mistake is made in the field notes, it shall in no way
17 affect the organization, existence, and validity of
18 the district, or the right of the district to issue any
19 type of bonds or refunding bonds for the purposes for
20 which the district is created, or to pay the principal
21 and interest thereon, or the right to assess, levy, and
22 collect taxes, or in any other manner affect the
23 legality or operation of the district or its governing
24 body.

25 Revisor's Note

26 (1) The revision of the law governing the
27 district does not revise the statutory language
28 describing the territory of the district to avoid the
29 lengthy recitation of the description and because that
30 description may not be accurate on the effective date
31 of the revision or at the time of a later reading. For
32 the reader's convenience, the revised law includes a
33 reference to the statutory description of the
34 district's territory and references to authority to
35 change the district's territory, including: (1)
36 Subchapter H, Chapter 54, Water Code, applicable to
37 the district after the district was converted to a
38 municipal utility district governed by Chapter 54 of
39 that code (see Sections 54.030-54.036 of that code and
40 Revisor's Note (3) to Section 8262.002); (2)

1 Subchapter J, Chapter 49, Water Code, applicable to
2 the district under Sections 49.001 and 49.002 of that
3 chapter; and (3) Section 9, Chapter 749, Acts of the
4 61st Legislature, Regular Session, 1969. The revised
5 law also includes a reference to the general authority
6 of the legislature to enact other laws to change the
7 district's territory.

8 (2) Section 3, Chapter 749, Acts of the 61st
9 Legislature, Regular Session, 1969, provides that a
10 mistake does not affect the right of the district to
11 issue "any type of bonds or refunding bonds." The
12 revised law omits the reference to "refunding bonds"
13 because refunding bonds are included in the meaning of
14 "any type of bonds."

15 (3) Section 3, Chapter 749, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to the
17 district's right to "assess, levy, and collect" a tax.
18 Throughout this chapter, the revised law substitutes
19 "impose" for "levy" or "assess, levy, and collect"
20 because "impose" is the term generally used in Title 1,
21 Tax Code, and includes the assessment, levying, and
22 collection of a tax.

23 Revised Law

24 Sec. 8262.005. EXPANSION OF DISTRICT. (a) If land is
25 annexed by the district under Section 49.301, Water Code, the board
26 may require the petitioners to:

27 (1) assume the petitioners' pro rata share of the voted
28 but unissued bonds of the district; and

29 (2) authorize the board to impose a tax on the
30 petitioners' property to pay for the bonds after the bonds have been
31 issued.

32 (b) If land is annexed by the district under Section 49.302,
33 Water Code, the board may submit to the voters of the area to be
34 annexed a proposition on the question of the assumption by the area

1 to be annexed of its part of the voted but not yet issued or sold tax
2 or tax-revenue bonds of the district and the imposition of an ad
3 valorem tax on taxable property in the area to be annexed along with
4 a tax in the rest of the district for the payment of the bonds.

5 (c) If the petitioners consent or if the election results
6 favorably, the district may issue its voted but unissued tax or
7 tax-revenue bonds regardless of changes to district boundaries
8 since the original voting or authorization of the bonds. (Acts 61st
9 Leg., R.S., Ch. 749, Sec. 9.)

10 Source Law

11 Sec. 9. Land may be added to or annexed by the
12 district in the manner now provided by Chapter 3A,
13 Title 128 (Vernon's Texas Civil Statutes); provided,
14 however, that the board of directors may require the
15 petitioners, if land is being added in the manner
16 provided by Article 7880--75 (Vernon's Texas Civil
17 Statutes), to assume their pro rata share of the voted
18 but unissued bonds of the district and to authorize the
19 board to levy a tax on their property in payment of
20 such unissued bonds, when issued, or if land is being
21 annexed in the manner provided by Article 7880--75b
22 (Vernon's Texas Civil Statutes), the board may also
23 submit a proposition to the property taxpaying voters
24 of the area to be annexed on the question of the
25 assumption by the area to be annexed of its part of the
26 tax or tax-revenue bonds of the district theretofore
27 voted but not yet issued or sold and the levy of an ad
28 valorem tax on taxable property within the area to be
29 annexed along with the tax in the rest of the district
30 for the payment thereof. If the petitioners consent or
31 if the election results favorably, the district shall
32 be authorized to issue its voted but unissued tax or
33 tax-revenue bonds even though the boundaries of the
34 district have been changed since the voting or
35 authorization of such bonds.

36 Revisor's Note

37 (1) Section 9, Chapter 749, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that the
39 district may add or annex land in the manner provided
40 by Chapter 3A, Title 128, Vernon's Texas Civil
41 Statutes. The revised law omits that provision as
42 unnecessary. The relevant provisions of that statute
43 were codified by Chapter 58, Acts of the 62nd
44 Legislature, Regular Session, 1971, as Subchapter O,
45 Chapter 51, Water Code. After the district converted
46 to a municipal utility district in 1978, that

1 subchapter no longer applied to the district and
2 Subchapter H, Chapter 54, Water Code, applied instead,
3 as described by Revisor's Note (3) to Section 8262.002.
4 Chapter 715, Acts of the 74th Legislature, Regular
5 Session, 1995, repealed some of the relevant
6 provisions of Subchapter H, Chapter 54, Water Code,
7 and enacted Subchapter J, Chapter 49, Water Code, to
8 govern the addition of land to a municipal utility
9 district and certain other districts. Subchapter J,
10 Chapter 49, Water Code, applies to the district
11 without an express reference to Subchapter J by this
12 chapter. The remaining relevant provisions of
13 Subchapter H, Chapter 54, Water Code, apply to the
14 district under Section 54.034, Water Code, without an
15 express reference to those sections by this chapter.

16 (2) Section 9, Chapter 749, Acts of the 61st
17 Legislature, Regular Session, 1969, refers to Article
18 7880--75, Vernon's Texas Civil Statutes. Article
19 7880--75 was codified by Chapter 58, Acts of the 62nd
20 Legislature, Regular Session, 1971, as Sections
21 51.714-51.717, Water Code, relating to the addition of
22 land to a water control and improvement district by the
23 petition of the landowner. After the district
24 converted to a municipal utility district in 1978,
25 those sections no longer applied to the district.
26 Instead, Sections 54.711-54.715, Water Code, applied
27 to the district under Section 54.034 of that code. See
28 Revisor's Note (3) to Section 8262.002. Chapter 715,
29 Acts of the 74th Legislature, Regular Session, 1995,
30 repealed Sections 54.711-54.715, Water Code, and
31 enacted Section 49.301, Water Code, to govern the
32 addition of land to a municipal utility district by the
33 petition of the landowner. The revised law is drafted
34 accordingly.

1 burden on residents and the effect on state water quality caused by
2 the construction and operation of numerous small waste collection,
3 treatment, and disposal facilities. (Acts 61st Leg., R.S., Ch.
4 749, Sec. 5 (part).)

5 Source Law

6 Sec. 5. . . .

7 The powers and duties conferred on the district
8 are granted subject to the policy of the state to
9 encourage the development and use of integrated
10 area-wide waste collection, treatment and disposal
11 systems to serve the waste disposal needs of the
12 citizens of the state, it being the objective of the
13 policy to avoid the economic burden to the people and
14 the impact on the quality of the waters in the state
15 which result from the construction and operation of
16 numerous small waste collection, treatment and
17 disposal facilities to serve an area when an
18 integrated area-wide waste collection, treatment and
19 disposal system for the area can be reasonably
20 provided.

21 . . .

22 Revisor's Note

23 Section 5, Chapter 749, Acts of the 61st
24 Legislature, Regular Session, 1969, refers to
25 "citizens" of the state. The revised law substitutes
26 "residents" for "citizens" because, in the context of
27 this section, "citizens" and "residents" are
28 synonymous and "residents" is more commonly used.

29 Revisor's Note

30 (End of Subchapter)

31 (1) Section 5, Chapter 749, Acts of the 61st
32 Legislature, Regular Session, 1969, provides that the
33 act prevails over any general law that applies to water
34 control and improvement districts and that is in
35 conflict or inconsistent with the act. The general law
36 applicable to water control and improvement districts
37 no longer applies to the district because the district
38 converted to a municipal utility district. See
39 Revisor's Note (3) to Section 8262.002. The revised
40 law omits the provision rather than codifying the
41 provision and substituting a reference to municipal
42 utility districts for the reference to water control

1 and improvement districts because the provision
2 duplicates, in substance, Section 311.026, Government
3 Code (Code Construction Act). The omitted law reads:

4 Sec. 5. [The district shall have and
5 exercise, and is hereby vested with, all of
6 the rights, powers, privileges, authority,
7 and functions conferred and imposed by the
8 general laws of this state now in force or
9 hereafter enacted, applicable to water
10 control and improvement districts created
11 under authority of Article XVI, Section 59;
12 Constitution of Texas, including without
13 limitation those conferred by Chapter 3A,
14 Title 128 (Vernon's Texas Civil Statutes);
15 but] to the extent that the provisions of
16 any such general laws may be in conflict or
17 inconsistent with the provisions of this
18 Act, the provisions of this Act shall
19 prevail. . . .

20 (2) Section 5, Chapter 749, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that any
22 general law relating to water control and improvement
23 districts is adopted and incorporated by reference.
24 The general law applicable to water control and
25 improvement districts no longer applies to the
26 district because the district converted to a municipal
27 utility district. See Revisor's Note (3) to Section
28 8262.002. The revised law omits the provision rather
29 than codifying the provision and substituting a
30 reference to municipal utility districts for the
31 reference to water control and improvement districts
32 because it is not necessary to duplicate by means of
33 adoption and incorporation the substance of general
34 laws applicable to the district. The omitted law
35 reads:

36 Sec. 5. . . . All such general laws
37 are hereby adopted and incorporated by
38 reference with the same effect as if
39 incorporated in full in this Act. . . .

40 (3) Section 22, Chapter 749, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that
42 Article 970a, Vernon's Texas Civil Statutes (Municipal
43 Annexation Act), does not apply to the creation of the

1 district. The revised law omits that provision as
2 executed. The omitted law reads:

3 Sec. 22. This district is hereby
4 created notwithstanding any of the
5 provisions of the Municipal Annexation Act,
6 being Article 970a (Vernon's Texas Civil
7 Statutes), as amended, and to the extent of
8 the creation of the district only, said
9 Article 970a shall have no
10 application. . . .

11 (4) Section 22, Chapter 749, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 district is subject to certain other laws. The revised
14 law omits that provision because the laws cited apply
15 by their own terms. Section 22 refers to Article 970a,
16 Vernon's Texas Civil Statutes (Municipal Annexation
17 Act). In 1987, Article 970a was codified as Chapters
18 42 and 43, Local Government Code, and Section 212.003,
19 Local Government Code. Section 22 also refers to
20 Article 1182c--1, Vernon's Texas Civil Statutes, "as
21 amended." In 1987, Article 1182c--1 was codified as
22 Sections 43.074, 43.075, and 43.081, Local Government
23 Code.

24 The revised law omits "as amended" because, under
25 Section 311.027, Government Code (Code Construction
26 Act), a reference to a statute applies to all
27 reenactments, revisions, or amendments of that
28 statute, unless expressly provided otherwise. The
29 omitted law reads:

30 Sec. 22. . . . In all other
31 respects, the district hereby created is
32 expressly made subject to all provisions of
33 said Article 970a. District shall also be
34 subject to the provisions of Article
35 1182c--1 (Vernon's Texas Civil Statutes),
36 as amended.

37 [Sections 8262.007-8262.050 reserved for expansion]

38 SUBCHAPTER B. DISTRICT ADMINISTRATION

39 Revised Law

40 Sec. 8262.051. COMPOSITION OF BOARD. The board consists of
41 five elected directors. (Acts 61st Leg., R.S., Ch. 749, Sec. 10

1 (part).)

2 Source Law

3 Sec. 10. All powers of the district shall be
4 exercised by a board of five directors. . . .
5 Succeeding directors shall be elected or

6 Revisor's Note

7 (1) Section 10, Chapter 749, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that
9 "[a]ll powers of the district shall be exercised by"
10 the board. The revised law omits the quoted language
11 because it duplicates, in substance, provisions of
12 Sections 49.051 and 49.057, Water Code. As indicated
13 throughout this chapter, the revised law omits law
14 that is superseded by Chapter 49, Water Code, or that
15 duplicates law contained in that chapter. Chapter 49,
16 Water Code, applies to the district under Sections
17 49.001 and 49.002 of that chapter.

18 (2) Section 10, Chapter 749, Acts of the 61st
19 Legislature, Regular Session, 1969, refers to
20 "[s]ucceeding directors" to distinguish the
21 succeeding directors from the initial directors named
22 in that section. The revised law omits "succeeding"
23 because all provisions referring to initial directors
24 are omitted as executed and the distinction is no
25 longer required.

26 Revised Law

27 Sec. 8262.052. DIRECTOR'S BOND. Each director shall
28 qualify by giving bond in the amount of \$5,000 for the faithful
29 performance of the director's duties. (Acts 61st Leg., R.S., Ch.
30 749, Sec. 10 (part).)

31 Source Law

32 Sec. 10. . . . Each director shall qualify by
33 subscribing to the constitutional oath of office and
34 giving bond in the amount of \$5,000 for the faithful
35 performance of his duties. . . .

36 Revisor's Note

37 (1) Section 10, Chapter 749, Acts of the 61st

1 Legislature, Regular Session, 1969, requires each
2 director to qualify "by subscribing to the
3 constitutional oath of office." The revised law omits
4 the quoted language because it duplicates, in
5 substance, Section 1, Article XVI, Texas Constitution.

6 (2) Section 10, Chapter 749, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that the
8 district shall pay the cost of a director's bond and
9 that the bond shall be approved by the board and
10 recorded in the district office. The revised law omits
11 that provision because it duplicates, in substance,
12 Sections 49.055(c) and (d), Water Code. The omitted
13 law reads:

14 Sec. 10. . . . The cost of such bond
15 shall be paid by the district. . . . The
16 bonds of directors elected or appointed
17 after the directors named below shall be
18 approved by the district's board of
19 directors and shall be recorded in a record
20 book kept for that purpose in the office of
21 the district. . . .

22 (3) Section 10, Chapter 749, Acts of the 61st
23 Legislature, Regular Session, 1969, requires each
24 director to give bond and provides that "[s]uch bond"
25 shall be approved by the county judge and filed in the
26 office of the county clerk of the county or counties
27 within which the district is located. That section
28 also provides that the bonds of directors elected or
29 appointed after the initial directors shall be
30 approved by the board and shall be recorded in a record
31 book kept for that purpose in the district office.
32 Because the provision requiring directors' bonds to be
33 approved by the county judge and filed in the county
34 clerk's office is followed by a provision requiring
35 bonds of successor directors to be approved by the
36 board and recorded in the district's record book, it
37 appears from the context that the provision requiring
38 directors' bonds to be approved by the county judge and

1 filed in the office of the county clerk applies only to
2 the bond of an initial director. Accordingly, the
3 revised law omits that provision as executed. The
4 omitted law reads:

5 Sec. 10. . . . Such bond shall be
6 approved by the county judge and filed in
7 the office of the county clerk of the county
8 or counties within which district is
9 located. . . .

10 Revised Law

11 Sec. 8262.053. ABSENCE OR INACTION OF BOARD PRESIDENT. (a)
12 When the board president is absent or fails or declines to act, the
13 board vice president shall perform all duties and exercise all
14 power this chapter or general law gives the president.

15 (b) If the board president is absent from a board meeting:

16 (1) the board vice president may sign an order or other
17 action adopted at the meeting; or

18 (2) the board may authorize the president to sign the
19 order or implement the action. (Acts 61st Leg., R.S., Ch. 749, Sec.
20 10 (part).)

21 Source Law

22 Sec. 10. . . . The vice president shall perform
23 all duties and exercise all power conferred by this Act
24 or the general law upon the president when the
25 president is absent or fails or declines to act. Any
26 order adopted or other action taken at a meeting of the
27 board of directors at which the president is absent may
28 be signed by the vice president, or the board may
29 authorize the president to sign such order or to
30 implement such other action.

31 Revised Law

32 Sec. 8262.054. DISTRICT OFFICE. (a) Except as provided by
33 this section, the board shall designate, establish, and maintain a
34 district office as provided by Section 49.062, Water Code.

35 (b) The board may establish a second district office outside
36 the district. If the board establishes a second district office,
37 the board shall give notice of the location of that office by:

38 (1) filing a copy of the board resolution that
39 establishes the location of the office:

40 (A) with the Texas Commission on Environmental

1 Quality; and

2 (B) in the municipal utility district records of
3 each county in which the district is located; and

4 (2) publishing notice of the location of the office in
5 a newspaper of general circulation in each county in which the
6 district is located.

7 (c) A district office that is a private residence, office,
8 or dwelling is a public place for matters relating to the district's
9 business.

10 (d) The board shall provide notice of any change in the
11 location of the district office outside the district in the manner
12 required by Subsection (b). (Acts 61st Leg., R.S., Ch. 749, Sec.
13 15.)

14 Source Law

15 Sec. 15. The board of directors shall
16 designate, establish and maintain a district office as
17 provided by Article 7880--44 (Vernon's Texas Civil
18 Statutes), and in addition may establish a second
19 district office outside the district. Either or both
20 district offices so established and maintained may be
21 a private residence, office or dwelling, in which
22 event such private residence, office or dwelling is
23 hereby declared to be a public place for matters
24 relating to the district's business.

25 If the board of directors establishes a district
26 office outside the district, it shall give notice of
27 the location of that district office by filing a true
28 copy of its resolution establishing the location of
29 such district office with the Texas Water Rights
30 Commission, by filing a true copy in the Water Control
31 and Improvement District records of the county or
32 counties in which district is located, and by
33 publishing a notice of the location in a newspaper of
34 general circulation in said county or counties.

35 If the location of the district office outside
36 the district is thereafter changed, notice of such
37 change shall be given in the same manner.

38 Revisor's Note

39 (1) Section 15, Chapter 749, Acts of the 61st
40 Legislature, Regular Session, 1969, refers to Article
41 7880--44, Vernon's Texas Civil Statutes. Article
42 7880--44 was codified by Chapter 58, Acts of the 62nd
43 Legislature, Regular Session, 1971, as Sections 51.094
44 and 51.096, Water Code, relating to the district
45 office and the minutes and records of the district,

1 respectively. After the district converted to a
2 municipal utility district in 1978, those sections no
3 longer applied to the district. See Revisor's Note (3)
4 to Section 8262.002. Chapter 715, Acts of the 74th
5 Legislature, Regular Session, 1995, enacted Section
6 49.062, Water Code, to govern the designation of
7 offices for certain districts, including municipal
8 utility districts. The revised law is drafted
9 accordingly.

10 (2) Section 15, Chapter 749, Acts of the 61st
11 Legislature, Regular Session, 1969, refers to a "true
12 copy" of a document. The revised law omits "true"
13 because a copy, by definition, accurately reflects the
14 content of the original document.

15 (3) Section 15, Chapter 749, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to the
17 "Texas Water Rights Commission." The revised law
18 substitutes "Texas Commission on Environmental
19 Quality" for "Texas Water Rights Commission" to
20 reflect the current name of the agency with the
21 relevant regulatory authority.

22 Revisor's Note
23 (End of Subchapter)

24 (1) Section 10, Chapter 749, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that each
26 director shall serve until the director's successor is
27 elected or appointed and qualified. The revised law
28 omits that provision because Section 17, Article XVI,
29 Texas Constitution, requires an officer in this state
30 to continue to perform the officer's official duties
31 until a successor has qualified. The omitted law
32 reads:

33 Sec. 10. . . . Each director shall
34 serve for his term of office as herein
35 provided, and thereafter until his
36 successor shall be elected or appointed and
37 qualified. . . .

1 (2) Section 10, Chapter 749, Acts of the 61st
2 Legislature, Regular Session, 1969, names the initial
3 directors, requires them to qualify to serve as
4 directors before the first board meeting, provides for
5 filling vacancies in the office of director, and
6 provides that the named directors or their successors
7 shall serve until the second Tuesday in January 1971.
8 The revised law omits as executed the provisions
9 naming the initial directors, requiring them to
10 qualify by a certain time, and specifying the
11 expiration of their terms. Because the provision
12 specifying the procedure for filling vacancies in the
13 office of director is followed by a provision
14 requiring the named initial directors or their
15 successors to serve until a specified date in 1971, it
16 appears from the context that the provision relating
17 to the filling of vacancies also applies only to the
18 initial directors. Accordingly, the revised law also
19 omits that language as executed. The omitted law
20 reads:

21 Sec. 10. . . . Immediately after
22 this Act becomes effective, the following
23 named persons shall be the directors of the
24 district and shall constitute the board of
25 directors of the district:

26 E. W. Torian
27 Eugene B. Smith
28 Winston W. McIntosh
29 Robert F. Cochran
30 John W. Dalton

31 Said persons shall file their bonds as
32 soon as practicable after the effective
33 date of this Act and shall otherwise be
34 fully qualified to serve as directors prior
35 to the first meeting of the board of
36 directors. All vacancies in the office of
37 director shall be filled in the manner
38 provided by Article 7880--38 (Vernon's
39 Texas Civil Statutes); provided, however,
40 that if at any time the number of qualified
41 directors shall be less than three because
42 of the failure or refusal of one or more
43 directors to qualify or serve or because of
44 his or their death or incapacitation, or for
45 any other reason, the county judge of the
46 county in which the district is located
47 shall appoint the necessary number of
48 directors to fill all vacancies on the

1 board. The directors above named or their
2 duly appointed and qualified successor or
3 successors shall serve until the second
4 Tuesday in January, 1971. . . .

5 (3) Section 10, Chapter 749, Acts of the 61st
6 Legislature, Regular Session, 1969, provides for
7 directors to be elected or appointed and to serve for
8 the term and in the manner provided by Article
9 7880--37, Vernon's Texas Civil Statutes. Article
10 7880--37 was codified by Chapter 58, Acts of the 62nd
11 Legislature, Regular Session, 1971, as Section 51.073,
12 Water Code. After the district converted to a
13 municipal utility district in 1978, that section no
14 longer applied to the district. Instead, Section
15 54.103, Water Code, applied to the district under
16 Section 54.034 of that code. See Revisor's Note (3) to
17 Section 8262.002. Chapter 715, Acts of the 74th
18 Legislature, Regular Session, 1995, repealed Section
19 54.103, Water Code, and enacted Section 49.103, Water
20 Code, to govern the terms of office and manner of
21 election of directors of a municipal utility district
22 and certain other districts. Section 49.103, Water
23 Code, applies to the district without an express
24 reference to that section by this chapter. The revised
25 law omits "appointed" because it is clear from the
26 context of Section 10 that the reference applies only
27 to directors appointed to fill vacancies as provided
28 by Chapter 49, Water Code. The omitted law reads:

29 Sec. 10. . . . [Succeeding
30 directors shall be elected or] appointed
31 and shall serve for the term and in the
32 manner provided by Article 7880--37
33 (Vernon's Texas Civil Statutes). . . .

34 (4) Section 10, Chapter 749, Acts of the 61st
35 Legislature, Regular Session, 1969, provides that
36 three directors constitute a quorum and that a
37 concurrence of three directors is sufficient in all
38 matters relating to the business of the district,

1 including certain construction matters. The revised
2 law omits that provision because it duplicates, in
3 substance, Section 49.053, Water Code. The omitted
4 law reads:

5 Sec. 10. . . . Three directors shall
6 constitute a quorum of any meeting, and a
7 concurrence of three shall be sufficient in
8 all matters pertaining to the business of
9 the district, including the letting of
10 construction contracts and the drawing of
11 warrants in payment for construction work,
12 the purchase of existing facilities, and
13 matters relating to construction
14 work. . . .

15 (5) Section 10, Chapter 749, Acts of the 61st
16 Legislature, Regular Session, 1969, provides for
17 certain powers of the board's president. The revised
18 law omits that provision because it duplicates, in
19 substance, Section 49.054(c), Water Code. The omitted
20 law reads:

21 Sec. 10. . . . The president may
22 execute all contracts, construction or
23 otherwise, entered into by the board of
24 directors on behalf of the district. . . .

25 [Sections 8262.055-8262.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Revised Law

28 Sec. 8262.101. MUNICIPAL UTILITY DISTRICT POWERS. The
29 district has all of the rights, powers, privileges, and functions
30 conferred and imposed by the general law of this state relating to
31 municipal utility districts created under Section 59, Article XVI,
32 Texas Constitution, including those conferred by Chapters 49 and
33 54, Water Code. (Acts 61st Leg., R.S., Ch. 749, Sec. 5 (part).)

34 Source Law

35 Sec. 5. The district shall have and exercise,
36 and is hereby vested with, all of the rights, powers,
37 privileges, authority, and functions conferred and
38 imposed by the general laws of this state now in force
39 or hereafter enacted, applicable to water control and
40 improvement districts created under authority of
41 Article XVI, Section 59; Constitution of Texas,
42 including without limitation those conferred by
43 Chapter 3A, Title 128 (Vernon's Texas Civil Statutes);
44 but

1 Revisor's Note

2 (1) Section 5, Chapter 749, Acts of the 61st
3 Legislature, Regular Session, 1969, states that the
4 district "shall have and exercise, and is hereby
5 vested with" certain powers. The revised law
6 substitutes "has" for the quoted language because in
7 the context of this section, the terms are synonymous
8 and "has" is more commonly used.

9 (2) Section 5, Chapter 749, Acts of the 61st
10 Legislature, Regular Session, 1969, refers to "rights,
11 powers, privileges, [and] authority" of the district.
12 The revised law omits "authority" as included in the
13 meaning of "powers."

14 (3) Section 5, Chapter 749, Acts of the 61st
15 Legislature, Regular Session, 1969, states that the
16 district has the rights, powers, privileges,
17 authority, and functions conferred by the general laws
18 of this state "now in force or hereafter enacted." The
19 revised law omits the quoted language because it is
20 unnecessary under accepted general principles of
21 statutory construction. The "general laws of this
22 state" means those laws "in force" at the time the
23 provision was adopted. It is not necessary to state
24 that the district may be granted additional powers by
25 later enacted laws because those laws apply on their
26 own terms.

27 (4) Section 5, Chapter 749, Acts of the 61st
28 Legislature, Regular Session, 1969, grants the
29 district certain powers, including "without
30 limitation" the powers conferred by Chapter 3A, Title
31 128, Vernon's Texas Civil Statutes. The revised law
32 omits "without limitation" because Section
33 311.005(13), Government Code (Code Construction Act),
34 provides that "includes" and "including" are terms of

1 enlargement and not limitation and do not create a
2 presumption that components not expressed are
3 excluded.

4 (5) Section 5, Chapter 749, Acts of the 61st
5 Legislature, Regular Session, 1969, refers to "Chapter
6 3A, Title 128 (Vernon's Texas Civil Statutes)." The
7 relevant provisions of that statute were codified by
8 Chapter 58, Acts of the 62nd Legislature, Regular
9 Session, 1971, as Chapter 51, Water Code. After the
10 district converted to a municipal utility district in
11 1978, Chapter 51, Water Code, no longer applied to the
12 district. Instead, Chapter 54, Water Code, applies to
13 the district under Section 54.034 of that code. See
14 Revisor's Note (3) to Section 8262.002. In 1995,
15 Section 2, Chapter 715, Acts of the 74th Legislature,
16 Regular Session, enacted Chapter 49, Water Code. To
17 reflect those changes, the revised law substitutes a
18 reference to Chapters 49 and 54, Water Code, for the
19 reference to "Chapter 3A, Title 128 (Vernon's Texas
20 Civil Statutes)."

21 (6) Section 5, Chapter 749, Acts of the 61st
22 Legislature, Regular Session, 1969, refers to the
23 continuing right of this state to supervise the
24 district through the Texas Water Rights Commission.
25 The revised law omits the provision because the Texas
26 Commission on Environmental Quality is the successor
27 to the Texas Water Rights Commission, and therefore
28 the provision duplicates, in substance, part of
29 Section 12.081, Water Code, which applies to the
30 district. The omitted law reads:

31 Sec. 5. . . . The rights, powers,
32 privileges, authority, and functions herein
33 granted to the district shall be subject to
34 the continuing right of supervision of the
35 state, to be exercised by and through the
36 Texas Water Rights Commission. . . .

1 Revised Law

2 Sec. 8262.102. ADDITIONAL POWERS. (a) The district may:

3 (1) make, purchase, construct, lease, or otherwise
4 acquire property, works, facilities, existing improvements, or
5 improvements to be made, constructed, or acquired that are:

6 (A) inside or outside the district's boundaries;
7 and

8 (B) necessary to carry out the powers granted by
9 this chapter or general law; or

10 (2) enter into a contract with a person on terms the
11 board considers desirable, fair, and advantageous for:

12 (A) the purchase or sale of water;

13 (B) the transportation, treatment, and disposal
14 of the domestic, industrial, or communal wastes of the district or
15 others;

16 (C) the continuing and orderly development of
17 land and property in the district through the purchase,
18 construction, or installation of facilities, works, or
19 improvements that the district is otherwise authorized to do or
20 perform so that, to the greatest extent reasonably possible,
21 considering sound engineering and economic practices, all of the
22 land and property may ultimately receive the services of the
23 facilities, works, or improvements; and

24 (D) the performance of any of the powers granted
25 by this chapter or general law.

26 (b) A contract under Subsection (a)(2) may not have a
27 duration of more than 40 years. (Acts 61st Leg., R.S., Ch. 749,
28 Sec. 5 (part).)

29 Source Law

30 Sec. 5. . . . Not by way of limitation, the
31 district shall have and is hereby expressly granted
32 the following rights, powers, privileges, and
33 functions:

34 (a) The power and authority to make,
35 purchase, construct, lease, or otherwise acquire
36 property, works, facilities, and improvements
37 (whether previously existing or to be made,
38 constructed, or acquired) within or without the
39 boundaries of the district necessary to carry out the

1 powers and authority granted by this Act and the
2 general laws.

3 (b) The right, power, and authority to
4 enter into contracts of not exceeding 40 years
5 duration with persons, corporations (public or
6 private), municipal corporations, political
7 subdivisions of the State of Texas, and others, and on
8 such terms and conditions as the board of directors may
9 deem desirable, fair, and advantageous for:

10 (1) the purchase and sale of water,
11 or either;

12 (2) the transportation, treatment
13 and disposal of its domestic, industrial or communal
14 wastes or the transportation, treatment and disposal
15 of domestic, industrial or communal wastes of others;

16 (3) the continuing and orderly
17 development of the lands and property within the
18 district through the purchase, construction or
19 installation of facilities, works or improvements
20 which the district may otherwise be empowered and
21 authorized to do or perform so that, to the greatest
22 extent reasonably possible, considering sound
23 engineering and economic practices, all of such lands
24 and property may be placed in a position to ultimately
25 receive the services of such facilities, works or
26 improvements; and

27 (4) the performance of any of the
28 rights or powers granted in this Act and the general
29 laws. . . .

30 Revisor's Note

31 (1) Section 5, Chapter 749, Acts of the 61st
32 Legislature, Regular Session, 1969, provides that,
33 "[n]ot by way of limitation," the district has certain
34 specified rights, powers, privileges, and functions.
35 The revised law omits the quoted language because it is
36 an accepted general principle of statutory
37 construction that a grant of a right, power,
38 privilege, or function does not act as a limitation.
39 The general principle applies to this revision.

40 (2) Section 5, Chapter 749, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that the
42 district "shall have and is hereby expressly granted
43 the following rights, powers, privileges, and
44 functions" to take certain actions. The revised law
45 substitutes "may" for the quoted language because that
46 term is more concise and is the substantive equivalent
47 of the quoted language.

48 (3) Section 5, Chapter 749, Acts of the 61st
49 Legislature, Regular Session, 1969, refers to the

1 power of the district to enter into contracts with
2 persons, "corporations (public or private), municipal
3 corporations, political subdivisions of the State of
4 Texas, and others." The revised law omits the quoted
5 language because under Section 311.005(2), Government
6 Code (Code Construction Act), "person" is defined to
7 include any legal entity.

8 (4) Section 5, Chapter 749, Acts of the 61st
9 Legislature, Regular Session, 1969, provides that the
10 district may enter into a contract on "terms and
11 conditions" the board considers desirable, fair, and
12 advantageous. The revised law omits the reference to
13 "conditions" because "conditions" is included in the
14 meaning of "terms."

15 Revised Law

16 Sec. 8262.103. EMINENT DOMAIN. The district may exercise
17 the power of eminent domain only:

- 18 (1) in a county in which the district is located; and
19 (2) when necessary to carry out the purposes for which
20 the district was created. (Acts 61st Leg., R.S., Ch. 749, Sec. 13
21 (part).)

22 Source Law

23 Sec. 13. The power of eminent domain of the
24 district shall be limited to the county or counties in
25 which the district is situated, and to situations
26 where the exercise of such power is necessary in order
27 to carry out the purposes for which the district was
28 created. . . .

29 Revised Law

30 Sec. 8262.104. COST OF RELOCATING OR ALTERING PROPERTY.

31 (a) In this section, "sole expense" means the actual cost of
32 relocating, raising, lowering, rerouting, changing the grade of, or
33 altering the construction of a facility described by Subsection (b)
34 in providing comparable replacement without enhancement of the
35 facility, after deducting from that cost the net salvage value of
36 the old facility.

37 (b) If the district's exercise of the power of eminent

1 domain, the power of relocation, or any other power conferred by
2 this chapter makes necessary the relocation, raising, rerouting,
3 changing the grade, or alteration of the construction of a highway,
4 a railroad, an electric transmission line, a telegraph or telephone
5 property or facility, or a pipeline, the necessary action shall be
6 accomplished at the sole expense of the district. (Acts 61st Leg.,
7 R.S., Ch. 749, Sec. 13 (part).)

8 Source Law

9 Sec. 13. . . . In the event that the district,
10 in the exercise of the power of eminent domain or power
11 of relocation, or any other power granted hereunder,
12 makes necessary the relocation, raising, rerouting or
13 changing the grade of, or altering the construction
14 of, any highway, railroad, electric transmission line,
15 telegraph or telephone properties and facilities, or
16 pipeline, all such necessary relocation, raising,
17 rerouting, changing of grade or alteration of
18 construction shall be accomplished at the sole expense
19 of the district. The term "sole expense" shall mean
20 the actual cost of such relocation, raising, lowering,
21 rerouting, or change in grade or alteration of
22 construction in providing comparable replacement
23 without enhancement of such facilities, after
24 deducting therefrom the net salvage value derived from
25 the old facility.

26 Revised Law

27 Sec. 8262.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR
28 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district and a
29 political subdivision may enter into a contract for water, sewer,
30 or drainage services or any combination of those services without
31 the necessity of an election by any contracting party to approve the
32 contract.

33 (b) The district may pay for an obligation incurred by such
34 a contract by issuing bonds that, if otherwise necessary, have been
35 approved by the voters in the manner provided by this chapter.

36 (c) The district may deliver the district's bonds to the
37 United States or an agency or instrumentality of the United States,
38 or to this state or an agency or instrumentality of this state, that
39 entered into a contract with the district. (Acts 61st Leg., R.S.,
40 Ch. 749, Sec. 5 (part).)

41 Source Law

42 Sec. 5. . . . No election shall be required of
43 the district or any municipal corporation or other

1 political subdivisions for approval of water, sewer or
2 drainage contracts or any combination thereof, but
3 such contracts may be entered into without the
4 necessity of an election by any contracting party. The
5 district may make payment of the obligations incurred
6 by any such contract by the issuance of bonds which, if
7 otherwise necessary, have been approved by the voters
8 in the manner provided for in this Act. The district
9 may deliver its bonds to the United States, or any
10 agency or instrumentality thereof, or to the State of
11 Texas, or any agency or instrumentality thereof, which
12 entered into such contracts with the district.

13 Revisor's Note

14 Section 5, Chapter 749, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that the
16 district may contract with "any municipal corporation
17 or other political subdivisions." The revised law
18 omits the reference to "any municipal corporation"
19 because "municipal corporation" is included in the
20 meaning of "political subdivision."

21 Revised Law

22 Sec. 8262.106. NOTICE OF ELECTION. The board president or
23 secretary may give notice of an election. (Acts 61st Leg., R.S.,
24 Ch. 749, Sec. 19.)

25 Source Law

26 Sec. 19. Notice of all elections may be given
27 under the hand of either the president or the secretary
28 of the district.

29 Revised Law

30 Sec. 8262.107. DISTRICT RULES. The district shall adopt
31 and enforce reasonable and effective rules to secure and maintain
32 safe, sanitary, and adequate plumbing installations, connections,
33 and appurtenances as subsidiary parts of the district's sewerage
34 system to preserve the quality of water within or controlled by the
35 district. (Acts 61st Leg., R.S., Ch. 749, Sec. 16.)

36 Source Law

37 Sec. 16. The district is directed to adopt and
38 enforce reasonable and effective regulations to secure
39 and maintain safe, sanitary, and adequate plumbing
40 installations, connections, and appurtenances
41 thereto, as subsidiary parts of the district's
42 sewerage system, to aid in preserving the quality of
43 all water within or controlled by the district.

1 Revisor's Note

2 Section 16, Chapter 749, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 district shall adopt certain "regulations." The
5 revised law substitutes "rules" because under Section
6 311.005(5), Government Code (Code Construction Act),
7 "rule" is defined to include "regulation," and "rule"
8 is the term more commonly used.

9 [Sections 8262.108-8262.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Revised Law

12 Sec. 8262.151. TAX METHOD. (a) The district shall use the
13 ad valorem plan of taxation.

14 (b) The board is not required to call or hold a hearing on
15 the adoption of a plan of taxation. (Acts 61st Leg., R.S., Ch. 749,
16 Sec. 8.)

17 Source Law

18 Sec. 8. It shall not be necessary for the board
19 of directors to call or hold a hearing on the adoption
20 of a plan of taxation, but the ad valorem plan of
21 taxation shall be used by the district.

22 Revised Law

23 Sec. 8262.152. DISTRICT ACCOUNTS. The district shall keep
24 a complete system of the district's accounts. (Acts 61st Leg.,
25 R.S., Ch. 749, Sec. 14 (part).)

26 Source Law

27 Sec. 14. . . . A complete system of accounts
28 shall be kept by the district, and

29 Revised Law

30 Sec. 8262.153. COPY OF AUDIT REPORT. A copy of the audit
31 report prepared under Subchapter G, Chapter 49, Water Code, shall
32 be delivered:

33 (1) to each director; and

34 (2) to a holder of at least 25 percent of the
35 outstanding bonds of the district, on request. (Acts 61st Leg.,
36 R.S., Ch. 749, Sec. 14 (part); New.)

1 Source Law

2 Sec. 14. . . . A written report of the audit
3 shall be delivered to each member of the board of
4 directors . . . a copy of such audit report shall be
5 delivered upon request to the holder or holders of at
6 least 25 percent of the then outstanding bonds of the
7 district; and

8 Revisor's Note

9 (1) Section 14, Chapter 749, Acts of the 61st
10 Legislature, Regular Session, 1969, refers to various
11 audit procedures, including who may receive a copy of
12 the audit report. As detailed in the revisor's notes
13 that follow, procedures that are superseded by
14 Subchapter G, Chapter 49, Water Code, have been
15 omitted as superseded by Section 49.191(b), Water
16 Code, and the specific provisions in Subchapter G that
17 conflict with Chapter 749, Acts of the 61st
18 Legislature, Regular Session, 1969. Section 49.191(b)
19 states that Subchapter G "shall take precedence over
20 all prior statutory enactments." Subchapter G,
21 Chapter 49, Water Code, was enacted in 1995 by Section
22 2, Chapter 715, Acts of the 74th Legislature, Regular
23 Session. For context and the convenience of the
24 reader, the revised law adds a reference to the audit
25 report required by Subchapter G, Chapter 49, Water
26 Code.

27 (2) Section 14, Chapter 749, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that an
29 annual audit of the district's affairs shall be
30 prepared by an independent certified public accountant
31 or a firm of independent certified public accountants
32 of recognized integrity and ability. The revised law
33 omits that provision as superseded by Sections
34 49.191(b) and (c), Water Code (enacted by Section 2,
35 Chapter 715, Acts of the 74th Legislature, Regular
36 Session, 1995). The omitted law reads:

37 Sec. 14. . . . an audit of its

1 affairs for each year shall be prepared by
2 an independent certified public accountant,
3 or a firm of independent certified public
4 accountants, of recognized integrity and
5 ability. . . .

6 (3) Section 14, Chapter 749, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that a
8 written report of the audit shall be delivered to each
9 board member not later than 90 days after the close of
10 each fiscal year. The revised law omits the deadline
11 for delivery of the report as superseded by Sections
12 49.191(b) and (d), Water Code (enacted by Section 2,
13 Chapter 715, Acts of the 74th Legislature, Regular
14 Session, 1995). The omitted law reads:

15 Sec. 14. . . . [A written report of
16 the audit shall be delivered to each member
17 of the board of directors] not later than 90
18 days after the close of each fiscal year;
19 and

20 (4) Section 14, Chapter 749, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that at
22 least five copies of the audit report shall be
23 delivered to the district office and that one of those
24 copies shall constitute a public record. The revised
25 law omits those provisions as superseded by Sections
26 49.191(b), 49.194(c), and 49.196(b), Water Code
27 (enacted by Section 2, Chapter 715, Acts of the 74th
28 Legislature, Regular Session, 1995). The omitted law
29 reads:

30 Sec. 14. . . . at least five
31 additional copies of said audit shall be
32 delivered to the office of the district, one
33 of which shall be kept on file, and shall
34 constitute a public record open to
35 inspection by any interested person or
36 persons within normal office hours; and
37

38 (5) Section 14, Chapter 749, Acts of the 61st
39 Legislature, Regular Session, 1969, provides that one
40 copy of the audit report shall be filed with the Texas
41 Water Rights Commission. The revised law omits that
42 provision as superseded by Sections 49.191(b) and

1 49.194(a), Water Code (enacted by Section 2, Chapter
2 715, Acts of the 74th Legislature, Regular Session,
3 1995). The omitted law reads:

4 Sec. 14. . . . one copy of such audit
5 report shall be filed with the Texas Water
6 Rights Commission. . . .

7 (6) Section 14, Chapter 749, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that the
9 district shall pay the cost of the audit. The revised
10 law omits that provision because it duplicates Section
11 49.191(a), Water Code. The omitted law reads:

12 Sec. 14. . . . The cost of said audit
13 shall be borne by the district.

14 Revised Law

15 Sec. 8262.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

16 The district is not required to pay a tax or assessment on:

17 (1) district property; or

18 (2) a purchase made by the district. (Acts 61st Leg.,
19 R.S., Ch. 749, Sec. 24 (part).)

20 Source Law

21 Sec. 24. . . . the district shall not be
22 required to pay any tax or assessment on its properties
23 or any part thereof or on any purchases made by the
24 district.

25 Revised Law

26 Sec. 8262.155. DEPOSITORY. (a) The board shall select one
27 or more banks in this state to act as depository for the district's
28 money.

29 (b) To the extent that money in the depository bank is not
30 insured by the Federal Deposit Insurance Corporation, the money
31 must be secured in the manner provided by law for the security of
32 county funds.

33 (c) A director may be a shareholder in a bank that is a
34 depository of district money. (Acts 61st Leg., R.S., Ch. 749, Sec.
35 14 (part).)

36 Source Law

37 Sec. 14. The board of directors of the district
38 shall select any bank or banks in the State of Texas to

1 act as depository or depositories for the funds of the
2 district. To the extent that funds in the depository
3 bank or banks are not insured by the Federal Deposit
4 Insurance Corporation, they shall be secured in the
5 manner provided by law for the security of county
6 funds. Any director of the district may be a
7 shareholder in said depository bank or banks. . . .

8 Revisor's Note

9 Section 14, Chapter 749, Acts of the 61st
10 Legislature, Regular Session, 1969, refers to the
11 district's "funds." The revised law substitutes
12 "money" for "funds" because, in the context of
13 district funds, the meaning is the same and "money" is
14 the more commonly used term.

15 Revisor's Note
16 (End of Subchapter)

17 Section 14, Chapter 749, Acts of the 61st
18 Legislature, Regular Session, 1969, provides that the
19 district's fiscal year is January 1 to December 31
20 unless changed by the board. The revised law omits the
21 provision specifying the dates of the fiscal year as
22 executed because the board has already changed the
23 district's fiscal year. The revised law omits the
24 provision allowing the board to change the district's
25 fiscal year because it duplicates Section 49.158,
26 Water Code. The omitted law reads:

27 Sec. 14. . . . The fiscal year of the
28 district shall be from January 1 to December
29 31 of the same year, unless and until
30 changed by the board of directors. . . .

31 [Sections 8262.156-8262.200 reserved for expansion]

32 SUBCHAPTER E. BONDS

33 Revised Law

34 Sec. 8262.201. LOST OR MUTILATED BONDS. A trust indenture
35 securing bonds issued under this chapter may provide for the
36 issuance of bonds to replace lost or mutilated bonds. (Acts 61st
37 Leg., R.S., Ch. 749, Sec. 12 (part).)

38 Source Law

39 Sec. 12. . . .
40 [Such bonds . . . may be additionally secured by
41 a deed of trust or mortgage lien] . . . Such trust

1 indenture, . . . may make provisions for . . . the
2 issuance of bonds to replace lost or mutilated bonds,
3 and

4 Revised Law

5 Sec. 8262.202. USE OF BOND PROCEEDS DURING CONSTRUCTION.

6 (a) The district may appropriate or set aside out of the proceeds
7 from the sale of any bonds issued under this chapter an amount for
8 the payment of interest, administrative, and operating expenses
9 expected to accrue during a period of construction, as may be
10 provided in the bond orders or resolutions.

11 (b) For purposes of this section, the period of construction
12 may not exceed three years. (Acts 61st Leg., R.S., Ch. 749, Sec. 12
13 (part).)

14 Source Law

15 Sec. 12. . . .

16 From the proceeds of sale of any bonds issued
17 hereunder, the district may appropriate or set aside
18 out of the bond proceeds an amount for the payment of
19 interest, administrative, and operating expenses
20 expected to accrue during the period of construction,
21 said period not to exceed three years, as may be
22 provided in the bond orders or resolutions, and

23 Revised Law

24 Sec. 8262.203. REFUNDING BONDS. (a) By order or resolution
25 adopted by the board, the district may issue revenue refunding
26 bonds or tax-revenue refunding bonds to refund revenue bonds or
27 tax-revenue bonds, whether original bonds or refunding bonds,
28 previously issued by the district.

29 (b) The comptroller shall register the refunding bonds on
30 the surrender and cancellation of the bonds to be refunded.

31 (c) Instead of issuing bonds to be registered on the
32 surrender and cancellation of the bonds to be refunded, the
33 district, in the order or resolution authorizing the issuance of
34 the refunding bonds, may provide for the sale of the refunding bonds
35 and the deposit of the proceeds in the place or places where the
36 bonds to be refunded are payable. In that case, the refunding bonds
37 may be issued if an amount sufficient to pay the principal of and
38 interest on the bonds to be refunded to their maturity dates, or to
39 their option dates if according to their terms the bonds have been

1 called for payment before maturity, has been deposited in the place
2 or places where the bonds to be refunded are payable, and the
3 comptroller shall register the refunding bonds without the
4 surrender and cancellation of the bonds to be refunded. (Acts 61st
5 Leg., R.S., Ch. 749, Sec. 12 (part).)

6 Source Law

7 Sec. 12. . . .

8 By orders or resolutions adopted by its board of
9 directors, said district shall have the power and
10 authority to issue revenue refunding bonds or
11 tax-revenue refunding bonds to refund revenue bonds or
12 tax-revenue bonds (either original bonds or refunding
13 bonds) theretofore issued by such district. Said
14 refunding bonds shall be approved by the attorney
15 general as in the case of original bonds and shall be
16 registered by the comptroller of public accounts upon
17 the surrender and cancellation of the bonds to be
18 refunded; but in lieu thereof the orders or
19 resolutions authorizing their issuance may provide
20 that they shall be sold and the proceeds thereof
21 deposited in the place or places where the underlying
22 bonds are payable, in which case the refunding bonds
23 may be issued provided an amount sufficient to pay the
24 interest of and principal on the underlying bonds to
25 their maturity dates or to their option dates if said
26 bonds have been duly called for payment prior to
27 maturity according to their terms has been so
28 deposited in the place or places where said underlying
29 bonds are payable, and the Comptroller of Public
30 Accounts shall register them without the surrender and
31 cancellation of the underlying bonds. . . .

32 Revisor's Note

33 (1) Section 12, Chapter 749, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that the
35 district "shall have the power and authority" to issue
36 certain bonds. The revised law substitutes "may" for
37 the quoted language for the reason stated in Revisor's
38 Note (2) to Section 8262.102.

39 (2) Section 12, Chapter 749, Acts of the 61st
40 Legislature, Regular Session, 1969, provides that
41 refunding bonds "shall be approved by the attorney
42 general as in the case of original bonds." The revised
43 law omits the quoted language because it is superseded
44 by Section 1202.003, Government Code, enacted in 1987
45 as Section 3.002(a), Chapter 53, Acts of the 70th
46 Legislature, 2nd Called Session (Article 717k-8,

1 Vernon's Texas Civil Statutes). That section applies
2 to district bonds by application of Section 1202.001,
3 Government Code.

4 (3) Section 12, Chapter 749, Acts of the 61st
5 Legislature, Regular Session, 1969, refers to bonds
6 that have been "duly" called for payment before their
7 maturity. The revised law omits "duly" in this context
8 because it does not add to the clear meaning of the
9 law.

10 Revisor's Note
11 (End of Subchapter)

12 (1) Section 11, Chapter 749, Acts of the 61st
13 Legislature, Regular Session, 1969, provides that the
14 district shall comply with the requirements of Article
15 7880--139, Vernon's Texas Civil Statutes. Article
16 7880--139 was codified by Chapter 58, Acts of the 62nd
17 Legislature, Regular Session, 1971, as Sections 51.421
18 and 51.422, Water Code. After the district was
19 converted to a municipal utility district in 1978,
20 those sections no longer applied to the district.
21 Instead, Sections 54.516 and 54.517, Water Code,
22 applied to the district under Section 54.034 of that
23 code. See Revisor's Note (3) to Section 8262.002.
24 Chapter 715, Acts of the 74th Legislature, Regular
25 Session, 1995, repealed Sections 54.516 and 54.517,
26 Water Code, and enacted Sections 49.181 and 49.182,
27 Water Code, to govern the authority of the Texas
28 Commission on Environmental Quality over the issuance
29 of district bonds and supervision by the commission of
30 projects and improvements, respectively. Sections
31 49.181 and 49.182, Water Code, apply to the district on
32 their own terms, without an express reference to those
33 sections in this chapter. The omitted law reads:

34 Sec. 11. The district shall comply
35 with the requirements of Article 7880--139
36 (Vernon's Texas Civil Statutes).

1 (2) Section 12, Chapter 749, Acts of the 61st
2 Legislature, Regular Session, 1969, refers to the
3 district's authority to issue bonds for specific
4 purposes. The revised law omits that provision
5 because it duplicates Section 54.501, Water Code. The
6 omitted law reads:

7 Sec. 12. The district is hereby
8 authorized to issue [its negotiable tax
9 bonds, revenue bonds, or tax and revenue]
10 bonds to provide funds for any or all of the
11 purposes set out or incorporated by
12 reference herein, including the acquisition
13 of land therefor, and

14 (3) Section 12, Chapter 749, Acts of the 61st
15 Legislature, Regular Session, 1969, authorizes the
16 district to issue "negotiable" bonds and provides for
17 the payment of those bonds. The revised law omits the
18 reference to "negotiable" bonds because Section
19 1201.041, Government Code, provides that a public
20 security is a negotiable instrument. Section 1201.041
21 applies to district bonds by application of Section
22 1201.002, Government Code. The revised law omits the
23 provision regarding the payment of district bonds
24 because the provision duplicates, in substance,
25 Section 54.503, Water Code. The omitted law reads:

26 Sec. 12. [The district is hereby
27 authorized to issue] its negotiable tax
28 bonds, revenue bonds, or tax and revenue
29 [bonds]

30 The bonds issued hereunder may be
31 payable from all or any designated part or
32 parts of the revenues of the district's
33 properties and facilities or under specific
34 contracts, as may be provided in the orders
35 or resolutions authorizing the issuance of
36 such bonds; and,

37 (4) Section 12, Chapter 749, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that
39 district bonds shall be issued under Chapter 3A, Title
40 128, and Article 7880--90a, Vernon's Texas Civil
41 Statutes. Chapter 58, Acts of the 62nd Legislature,
42 Regular Session, 1971, codified the relevant

1 provisions of Chapter 3A, Title 128, as Chapter 51,
2 Water Code. The same act codified Article 7880--90a as
3 Sections 51.450-51.454, Water Code. The revised law
4 omits the references to those laws because the
5 district converted from a water control and
6 improvement district governed by Chapter 51, Water
7 Code, to a municipal utility district governed by
8 Chapter 54, Water Code. See Revisor's Note (3) to
9 Section 8262.002. The provisions of Chapter 54, Water
10 Code, apply on their own terms. The omitted law reads:

11 Sec. 12. . . . said bonds shall be
12 issued in the manner provided and as
13 authorized by Article 7880--90a (Vernon's
14 Texas Civil Statutes), and Chapter 3A of
15 Title 128 (Vernon's Texas Civil Statutes),
16 as presently in effect or as hereafter
17 amended;

18 (5) Section 12, Chapter 749, Acts of the 61st
19 Legislature, Regular Session, 1969, provides that an
20 election is not required for bonds payable from
21 revenues. The revised law omits that provision
22 because it duplicates, in substance, Section 54.505,
23 Water Code. The omitted law reads:

24 Sec. 12. . . . provided, however,
25 that bonds payable solely from net revenues
26 may be issued by resolution or order of the
27 board of directors and no election therefor
28 shall be necessary. . . .

29 (6) Section 12, Chapter 749, Acts of the 61st
30 Legislature, Regular Session, 1969, provides that
31 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
32 applies to bonds issued under Section 12 except when
33 Chapter 3A is inconsistent or in conflict with Section
34 12. The revised law omits the provision for the
35 reasons stated in Revisor's Note (4) to the end of this
36 subchapter and Revisor's Note (1) to the end of
37 Subchapter A. The omitted law reads:

38 Sec. 12. . . . except as the same may
39 be inconsistent or in conflict with the
40 provisions of this Act, the provisions of
41 said Chapter 3A of Title 128 (Vernon's Texas

1 Civil Statutes), as presently in effect or
2 as hereafter amended, shall apply to all
3 bonds issued under the provisions of this
4 Act (the provisions of this Act to govern
5 and take precedence in the event of any such
6 inconsistency or conflict). . . .

7 (7) Section 12, Chapter 749, Acts of the 61st
8 Legislature, Regular Session, 1969, provides for
9 additional security for bonds. The revised law omits
10 that provision because it duplicates Section 54.504,
11 Water Code. The omitted law reads:

12 Sec. 12. . . .

13 Such bonds, within the discretion of
14 the board of directors, may be additionally
15 secured by a deed of trust or mortgage lien
16 upon part or all of the physical properties
17 of the district, and franchises, easements,
18 water rights and appropriation permits,
19 leases, and contracts and all rights
20 appurtenant to such properties, vesting in
21 the trustee power to sell such properties
22 for payment of the indebtedness, power to
23 operate the properties and all other powers
24 and authority for the further security of
25 the bonds. [Such trust indenture,
26 regardless of the existence of the deed of
27 trust or mortgage lien on the properties,
28 may contain provisions prescribed by the
29 board of directors for the security of the
30 bonds and the preservation of the trust
31 estate, and [may make provisions for]
32 amendment or modification thereof and . . .
33 may condition the right to expend district
34 money or sell district property upon
35 approval of a registered professional
36 engineer selected as provided therein and
37 may make provision for investment of funds
38 of the district. Any purchaser under a sale
39 under the deed of trust or mortgage lien,
40 where one is given, shall be absolute owner
41 of the properties, facilities, and rights
42 so purchased and shall have the right to
43 maintain and operate same. . . .

44 (8) Section 12, Chapter 749, Acts of the 61st
45 Legislature, Regular Session, 1969, specifies various
46 provisions of bonds. The revised law omits that
47 provision because it duplicates Section 54.510, Water
48 Code. The omitted law reads:

49 Sec. 12. . . .

50 In the orders or resolutions
51 authorizing the issuance of any revenue,
52 tax-revenue, revenue refunding, or
53 tax-revenue refunding bonds authorized
54 hereunder, the district's board of
55 directors may provide for the flow of funds,
56 the establishment and maintenance of the
57 interest and sinking fund or funds, reserve

1 fund or funds, and other funds, and may make
2 additional covenants with respect to the
3 bonds and the pledged revenues and the
4 operation and maintenance of those
5 improvements and facilities (the revenues
6 of which are pledged), including provisions
7 for the operation or for the leasing of all
8 or any part of said improvements and
9 facilities and the use or pledge of moneys
10 derived from such operation contracts and
11 leases as such board may deem appropriate.
12 Such orders or resolutions may also
13 prohibit the further issuance of bonds or
14 other obligations payable from the pledged
15 revenues, or may reserve the right to issue
16 additional bonds to be secured by a pledge
17 of and payable from said revenues on a
18 parity with, or subordinate to, the lien and
19 pledge in support of the bonds being issued,
20 subject to such conditions as are set forth
21 in such orders or resolutions. Such orders
22 or resolutions may contain other provisions
23 and covenants, as the district's board of
24 directors may determine, not prohibited by
25 the Constitution of Texas or by this Act,
26 and said board may adopt and cause to be
27 executed any other proceedings or
28 instruments necessary and/or convenient in
29 the issuance of any such bonds. . . .

30 (9) Section 12, Chapter 749, Acts of the 61st
31 Legislature, Regular Session, 1969, provides for the
32 use of bond proceeds to pay expenses incurred and to be
33 incurred in the issuance, sale, and delivery of the
34 bonds. The revised law omits that provision because it
35 duplicates, in substance, Section 49.155, Water Code.
36 The omitted law reads:

37 Sec. 12. . . .
38 [From the proceeds of sale of any bonds
39 issued hereunder, the district may
40 appropriate or set aside out of the bond
41 proceeds] . . . an amount necessary to pay
42 all expenses incurred and to be incurred in
43 the issuance, sale and delivery of the
44 bonds. . . .

45 (10) Section 12, Chapter 749, Acts of the 61st
46 Legislature, Regular Session, 1969, provides that
47 money in a fund established or provided for in a bond
48 order or resolution may be invested in securities as
49 provided in the bond order or may be placed on
50 interest-bearing time deposit. The revised law omits
51 that provision because it is superseded by Subchapter
52 A, Chapter 2256, Government Code (enacted as Chapter

1 889, Acts of the 70th Legislature, Regular Session,
2 1987). The omitted law reads:

3 Sec. 12. . . . Moneys in the interest
4 and sinking fund or funds and the reserve
5 fund or funds, and in the other fund or
6 funds established or provided for in the
7 bond orders or resolutions may be invested
8 in such manner and in such securities as may
9 be provided in the bond order or orders or
10 may be placed on interest-bearing time
11 deposit. . . .

12 (11) Section 12, Chapter 749, Acts of the 61st
13 Legislature, Regular Session, 1969, provides that bond
14 proceeds may be invested in securities of the United
15 States or placed on interest-bearing time deposit.
16 The revised law omits that provision as superseded by
17 Subchapter A, Chapter 2256, Government Code (enacted
18 as Chapter 889, Acts of the 70th Legislature, Regular
19 Session, 1987). The omitted law reads:

20 Sec. 12. . . . Until such time as the
21 bond proceeds are needed to carry out the
22 bond purposes, such proceeds may be
23 invested in securities of the United States
24 government or any agency thereof or may be
25 placed on interest-bearing time deposit,
26 either or both. . . .

27 (12) Section 12, Chapter 749, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that
29 district bonds may be registered as to principal or as
30 to principal and interest. The revised law omits that
31 provision because it duplicates Section 1201.024,
32 Government Code. That section applies to district
33 bonds by application of Section 1201.002, Government
34 Code. The omitted law reads:

35 Sec. 12. . . . Any such revenue
36 bonds, tax-revenue bonds, revenue refunding
37 bonds, or tax-revenue refunding bonds
38 hereinafter mentioned may be registrable as
39 to principal or as to both principal and
40 interest. . . .

41 (13) Section 12, Chapter 749, Acts of the 61st
42 Legislature, Regular Session, 1969, requires the
43 district to deliver its bonds to the attorney general
44 for examination and approval. The revised law omits

1 that provision because it duplicates, in substance,
2 Section 1202.003, Government Code. Section 1202.003,
3 Government Code, applies to district bonds by
4 application of Section 1202.001, Government Code. The
5 omitted law reads:

6 Sec. 12. . . .
7 After any bonds have been authorized
8 by the district hereunder, such bonds and
9 the record relating to their issuance shall
10 be submitted to the Attorney General of the
11 State of Texas for his examination as to the
12 validity thereof, and

13 (14) Section 12, Chapter 749, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that
15 after approval the bonds shall be registered with the
16 comptroller. The revised law omits that provision as
17 superseded by Section 1202.005, Government Code
18 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
19 of the 70th Legislature, 2nd Called Session). Section
20 1202.005, Government Code, applies to district bonds
21 by application of Section 1202.001, Government Code.
22 The omitted law reads:

23 Sec. 12. . . . after said attorney
24 general has approved the same, such bonds
25 shall be registered by the Comptroller of
26 Public Accounts of the State of
27 Texas. . . .

28 (15) Section 12, Chapter 749, Acts of the 61st
29 Legislature, Regular Session, 1969, provides that
30 after approval and registration, district bonds are
31 incontestable except for forgery or fraud. The
32 revised law omits that provision as impliedly repealed
33 by Section 1202.006, Government Code (enacted as
34 Section 3.002(d), Chapter 53, Acts of the 70th
35 Legislature, 2nd Called Session, 1987). Section
36 1202.006, Government Code, provides that after
37 approval and registration, bonds are incontestable for
38 any reason. Section 1202.006 applies to district
39 bonds by application of Section 1202.001, Government

1 Code. The omitted law reads:

2 Sec. 12. . . . When such bonds have
3 been approved by the attorney general,
4 registered by the comptroller of public
5 accounts, and delivered to the purchasers,
6 they shall thereafter be incontestable
7 except for forgery or fraud. . . .

8 (16) Section 12, Chapter 749, Acts of the 61st
9 Legislature, Regular Session, 1969, details various
10 procedures regarding the attorney general's approval
11 of bond contracts and proceedings. The revised law
12 omits the portion of Section 12 regarding the
13 incontestability of a contract the proceeds of which
14 are pledged to the payment of a bond as impliedly
15 repealed by Section 1202.006, Government Code (enacted
16 as Section 3.002(d), Chapter 53, Acts of the 70th
17 Legislature, 2nd Called Session, 1987). Section
18 1202.006, Government Code, provides that after
19 approval and registration of the bond, the bond and
20 contract are incontestable for any reason. Section
21 1202.006 applies to district bonds by application of
22 Section 1202.001, Government Code. The omitted law
23 reads:

24 Sec. 12. . . . When any bonds recite
25 that they are secured partially or
26 otherwise by a pledge of the proceeds of a
27 contract or contracts made between the
28 district and another party or parties
29 (private or public), a copy of such contract
30 or contracts and the proceedings
31 authorizing the same may or may not be
32 submitted to the attorney general along
33 with the bond record, and, if so submitted,
34 the approval of the attorney general of the
35 bonds shall constitute an approval of such
36 contract or contracts, and thereafter the
37 contract or contracts shall be
38 incontestable for any cause except for
39 forgery or fraud. . . .

40 (17) Section 12, Chapter 749, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that the
42 district may sell bonds only after taking public bids.
43 The revised law omits that provision because it
44 duplicates, in substance, Section 49.183(a), Water

1 Code. The omitted law reads:

2 Sec. 12. . . . The district's bonds
3 shall be sold only after taking public bids
4 therefor.

5 (18) Section 17, Chapter 749, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that the
7 district may sell bonds at any price or on any terms,
8 except that the price may not be less than that
9 provided by law. The revised law omits that provision
10 because it duplicates Section 1204.006(b), Government
11 Code. Section 1204.006(b) provides that an issuer may
12 sell public securities at any price and applies to
13 district bonds by application of Section 1204.001,
14 Government Code. The omitted law reads:

15 Sec. 17. Bonds of the district may be
16 sold at a price and upon the terms
17 determined by the board of directors of the
18 district, except that such bonds shall not
19 be sold for a less amount than provided by
20 law.

21 (19) Section 18, Chapter 749, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that
23 elections to authorize district bonds must be held
24 under applicable general law. Section 18 also
25 provides that if the first bond election fails, any
26 provision of the general law relating to the
27 dissolution of a district when a bond election fails
28 does not apply to the district. The revised law omits
29 the provision relating to the first bond election as
30 executed. The revised law omits the provision
31 requiring bond elections to be held under applicable
32 general law because the provision duplicates Section
33 49.101, Water Code. The omitted law reads:

34 Sec. 18. All elections to authorize
35 the issuance of bonds by the district shall
36 be held pursuant to the general law
37 applicable thereto; provided, however, that
38 if the first bond election fails, Article
39 7880--77b (Vernon's Texas Civil Statutes),
40 or any other provision of the general law
41 pertaining to dissolution of the district
42 when a bond election fails shall not apply.

1 (20) Section 21, Chapter 749, Acts of the 61st
2 Legislature, Regular Session, 1969, lists the entities
3 for which district bonds are legal investments and
4 provides that district bonds may secure deposits of
5 public funds of the state or political subdivisions.
6 The revised law omits the provision relating to the
7 eligibility of district bonds to be considered as
8 investments for various entities because it duplicates
9 Section 49.186(a), Water Code. The revised law omits
10 the provision relating to deposits of state funds by
11 the comptroller as impliedly repealed by Section
12 404.0221, Government Code (enacted in 1995), which
13 lists eligible collateral for deposits of state funds
14 by the comptroller. As to deposits of other funds, the
15 provision is impliedly repealed by Chapter 2257,
16 Government Code (enacted in 1989 as Article 2529d,
17 Vernon's Texas Civil Statutes), which governs eligible
18 collateral for deposits of funds of other public
19 agencies, including political subdivisions, and
20 permits those deposits to be secured by obligations
21 issued by conservation and reclamation districts. The
22 omitted law reads:

23 Sec. 21. All bonds and refunding
24 bonds of the district shall be and are
25 hereby declared to be legal, eligible, and
26 authorized investments for banks, savings
27 and loan associations, insurance companies,
28 fiduciaries, trustees, and for the sinking
29 funds of cities, towns, villages, counties,
30 school districts, or other political
31 corporations or subdivisions of the State
32 of Texas, and for all public funds of the
33 State of Texas or its agencies, including
34 the State Permanent School Fund. Such bonds
35 and refunding bonds shall be eligible to
36 secure the deposit of any and all public
37 funds of the State of Texas, cities, towns,
38 villages, counties, school districts, or
39 other political corporations or
40 subdivisions of the State of Texas; and such
41 bonds shall be lawful and sufficient
42 security for said deposits to the extent of
43 their face value, when accompanied by all
44 unmatured coupons appurtenant thereto.

1 Revisor's Note
2 (End of Chapter)

3 (1) Section 6, Chapter 749, Acts of the 61st
4 Legislature, Regular Session, 1969, provides that it
5 is not necessary for the board of directors to hold an
6 election to confirm the district's creation. The
7 revised law omits that provision as executed. The
8 omitted law reads:

9 Sec. 6. It shall not be necessary for
10 the board of directors to call or hold a
11 confirmation election for the confirmation
12 of the district.

13 (2) Section 7, Chapter 749, Acts of the 61st
14 Legislature, Regular Session, 1969, provides for the
15 exclusion of property from the district before the
16 first bond election is called. The revised law omits
17 that provision as executed because the district has
18 already issued bonds. The omitted law reads:

19 Sec. 7. It shall not be necessary for
20 the board of directors to call or hold a
21 hearing on the exclusions of land or other
22 property from the district; provided,
23 however, that the board shall hold such
24 hearing upon the written petition of any
25 landowner or other property owner within
26 the district filed with the secretary of the
27 board prior to the calling of the first bond
28 election for the district. The board of
29 directors shall give notice of the right of
30 a landowner or property owner to petition to
31 have his lands excluded by publishing same
32 in a newspaper of general circulation in the
33 county or counties in which the district is
34 situated one time at least 10 days prior to
35 the calling of the bond election. The board
36 may act on said petition in the same manner
37 as it may act on a petition for the addition
38 of land under Article 7880--75 (Vernon's
39 Texas Civil Statutes), and no notice of
40 hearing shall be required. . . .

41 (3) Section 7, Chapter 749, Acts of the 61st
42 Legislature, Regular Session, 1969, provides that the
43 board may on its own motion hold a hearing on the
44 exclusion of property from the district in the manner
45 provided by general law. The revised law omits that
46 provision because it duplicates, in substance, Section
47 49.303(b), Water Code. The omitted law reads:

1 Sec. 7. . . . The board on its own
2 motion may call and hold an exclusions
3 hearing or hearings in the manner provided
4 by the general law.

5 (4) Section 20, Chapter 749, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that the
7 board shall canvass the returns of all elections. The
8 revised law omits that requirement because it
9 duplicates Section 67.002, Election Code, which
10 requires the governing body of a political subdivision
11 that orders an election to canvass the returns.
12 Section 20 also provides that the board shall canvass
13 the election returns "as soon as reasonably
14 practicable after an election." The revised law omits
15 that provision as superseded by Section 67.003,
16 Election Code (enacted by Section 1, Chapter 211, Acts
17 of the 69th Legislature, Regular Session, 1985). The
18 omitted law reads:

19 Sec. 20. The returns of all elections
20 shall be canvassed by the board of directors
21 of the district as soon as reasonably
22 practicable after an election.

23 (5) Section 23, Chapter 749, Acts of the 61st
24 Legislature, Regular Session, 1969, contains
25 legislative findings relating to the performance of
26 certain requirements under Section 59(d), Article XVI,
27 Texas Constitution, and to the authority of the
28 legislature to enact that chapter. The revised law
29 omits that provision as executed. The omitted law
30 reads:

31 Sec. 23. The Legislature specifically
32 finds and declares that the requirements of
33 Article XVI, Section 59(d), Constitution of
34 Texas, have been done and accomplished in
35 due course and time and in due order, and
36 that the Legislature has the power and
37 authority to enact this Act.

38 (6) Section 25, Chapter 749, Acts of the 61st
39 Legislature, Regular Session, 1969, provides that the
40 act is severable. The revised law omits that provision
41 because it duplicates Section 311.032, Government Code

1 (Code Construction Act), which states that a provision
2 of a statute is severable from each other provision of
3 the statute that can be given effect. The omitted law
4 reads:

5 Sec. 25. If any word, phrase, clause,
6 paragraph, sentence, part, portion, or
7 provision of this Act or the application
8 thereof to any person or circumstance shall
9 be held to be invalid or unconstitutional,
10 the remainder of the Act shall nevertheless
11 be valid; and the Legislature hereby
12 declares that this Act would have been
13 enacted without such invalid or
14 unconstitutional word, phrase, clause,
15 paragraph, sentence, part, portion, or
16 provision.

17 CHAPTER 8271. LANGHAM CREEK UTILITY DISTRICT

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 8271.001. DEFINITIONS 1465
20 Sec. 8271.002. NATURE OF DISTRICT 1465
21 Sec. 8271.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1467
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16 CHAPTER 8271. LANGHAM CREEK UTILITY DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Revised Law

19 Sec. 8271.001. 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 Langham Creek Utility

24 District. (Acts 61st Leg., R.S., Ch. 306, Sec. 1 (part); New.)

25 Source Law

26 Sec. 1. . . . [a . . . district . . .] to be

27 known as "Langham Creek Utility District," hereinafter

28 called the "district,"

29 Revisor's Note

30 The definitions of "board" and "director" are

31 added to the revised law for drafting convenience and

32 to eliminate frequent, unnecessary repetition of the

33 substance of the definitions.

34 Revised Law

35 Sec. 8271.002. NATURE OF DISTRICT. The district is a

1 municipal utility district and a conservation and reclamation
2 district in Harris County created under Section 59, Article XVI,
3 Texas Constitution. (Acts 61st Leg., R.S., Ch. 306, Sec. 1 (part);
4 New.)

5 Source Law

6 Sec. 1. Under and pursuant to the provisions of
7 Article XVI, Section 59, Constitution of Texas, a
8 conservation and reclamation district is hereby
9 created and established in Harris County, Texas, . . .
10 which shall be a governmental agency and a body politic
11 and corporate. . . .

12 Revisor's Note

13 (1) Section 1, Chapter 306, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that the
15 district is "created and established" in Harris
16 County, Texas. The revised law omits "established"
17 because the meaning of that word is included in the
18 meaning of "created."

19 (2) Section 1, Chapter 306, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to the
21 district as "a governmental agency and a body politic
22 and corporate." The revised law omits those
23 references because they duplicate a portion of Section
24 59(b), Article XVI, Texas Constitution, which provides
25 that a conservation and reclamation district is a
26 governmental agency and a body politic and corporate.

27 (3) The revised law adds a reference to the
28 district as a "municipal utility district" because the
29 district was converted from a water control and
30 improvement district to a municipal utility district
31 on February 23, 1977, by order of the Texas Water
32 Rights Commission. See Sections 54.030-54.036, Water
33 Code. Under both that order and Section 54.034, Water
34 Code, the district now operates under Chapter 54,
35 Water Code. Throughout this chapter, references to
36 water control and improvement districts and references
37 to Chapter 51, Water Code (the chapter on water control

1 and improvement districts), have been revised to
2 reflect the district's conversion. In addition, as
3 indicated throughout this chapter, the revised law
4 omits law that is superseded by Chapter 54, Water Code,
5 or that duplicates law contained in that chapter.

6 Revised Law

7 Sec. 8271.003. 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 (d) The accomplishment of the purposes stated in this
16 chapter is for the benefit of the people of this state and for the
17 improvement of their property and industries. The district in
18 carrying out the purposes of this chapter will be performing an
19 essential public function under the Texas Constitution. (Acts 61st
20 Leg., R.S., Ch. 306, Secs. 1 (part), 4, 24 (part).)

21 Source Law

22 Sec. 1. . . . The creation and establishment of
23 the district is hereby declared to be essential to the
24 accomplishment of the purposes of Article XVI, Section
25 59, Constitution of Texas.

26 Sec. 4. It is determined and found that all of
27 the land and other property included within the area
28 and boundaries of the district will be benefited by the
29 works and project which are to be accomplished by the
30 district pursuant to the powers conferred by the
31 provisions of Article XVI, Section 59, Constitution of
32 Texas, and that said district was and is created to
33 serve a public use and benefit.

34 Sec. 24. The accomplishment of the purposes
35 stated in this Act being for the benefit of the people
36 of this state and for the improvement of their
37 properties and industries, the district in carrying
38 out the purposes of this Act will be performing an
39 essential public function under the Constitution, and
40

41 Revisor's Note

42 (1) Section 1, Chapter 306, Acts of the 61st

1 Legislature, Regular Session, 1969, states that the
2 "creation and establishment" of the district is
3 essential to accomplish the purposes of Section 59,
4 Article XVI, Texas Constitution. The revised law
5 omits "establishment" because its meaning is included
6 in the meaning of "creation."

7 (2) Section 4, Chapter 306, Acts of the 61st
8 Legislature, Regular Session, 1969, refers to land and
9 other property included within the "area and
10 boundaries of the district." The revised law omits the
11 reference to "area" because, in context, "area" is
12 included in the meaning of "boundaries."

13 Revised Law

14 Sec. 8271.004. DISTRICT TERRITORY. (a) The district is
15 composed of the territory described by Section 2, Chapter 306, Acts
16 of the 61st Legislature, Regular Session, 1969, 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;

20 (3) Section 9, Chapter 306, Acts of the 61st
21 Legislature, Regular Session, 1969; or

22 (4) other law.

23 (b) The boundaries and field notes of the district form a
24 closure. A mistake in copying the field notes in the legislative
25 process or another mistake in the field notes does not affect:

26 (1) the district's organization, existence, or
27 validity;

28 (2) the district's right to issue any type of bonds for
29 a purpose for which the district is created or to pay the principal
30 of and interest on the bonds;

31 (3) the district's right to impose a tax; or

32 (4) the legality or operation of the district or the
33 board. (Acts 61st Leg., R.S., Ch. 306, Sec. 3; New.)

1 issue "any type of bonds or refunding bonds." The
2 revised law omits the reference to "refunding bonds"
3 because refunding bonds are included in the meaning of
4 "any type of bonds."

5 (3) Section 3, Chapter 306, Acts of the 61st
6 Legislature, Regular Session, 1969, refers to the
7 district's right to "assess, levy, and collect" a tax.
8 Throughout this chapter, the revised law substitutes
9 "impose" for "levy" or "assess, levy, and collect"
10 because "impose" is the term generally used in Title 1,
11 Tax Code, and includes the assessment, levying, and
12 collection of a tax.

13 Revised Law

14 Sec. 8271.005. EXPANSION OF DISTRICT. (a) If land is
15 annexed by the district under Section 49.301, Water Code, the board
16 may require the petitioners to:

17 (1) assume the petitioners' pro rata share of the voted
18 but unissued bonds of the district; and

19 (2) authorize the board to impose a tax on the
20 petitioners' property to pay for the bonds after the bonds have been
21 issued.

22 (b) If land is annexed by the district under Section 49.302,
23 Water Code, the board may submit to the voters of the area to be
24 annexed a proposition on the question of the assumption by the area
25 to be annexed of its part of the voted but not yet issued or sold tax
26 or tax-revenue bonds of the district and the imposition of an ad
27 valorem tax on taxable property in the area to be annexed along with
28 a tax in the rest of the district for the payment of the bonds.

29 (c) If the petitioners consent or if the election results
30 favorably, the district may issue its voted but unissued tax or
31 tax-revenue bonds regardless of changes to district boundaries
32 since the original voting or authorization of the bonds. (Acts 61st
33 Leg., R.S., Ch. 306, Sec. 9.)

1 Chapter 49, Water Code, applies to the district
2 without an express reference to Subchapter J by this
3 chapter. The remaining relevant provisions of
4 Subchapter H, Chapter 54, Water Code, apply to the
5 district under Section 54.034, Water Code, without an
6 express reference to those sections by this chapter.

7 (2) Section 9, Chapter 306, Acts of the 61st
8 Legislature, Regular Session, 1969, refers to Article
9 7880--75, Vernon's Texas Civil Statutes. Article
10 7880--75 was codified by Chapter 58, Acts of the 62nd
11 Legislature, Regular Session, 1971, as Sections
12 51.714-51.717, Water Code, relating to the addition of
13 land to a water control and improvement district by the
14 petition of the landowner. After the district
15 converted to a municipal utility district in 1977,
16 those sections no longer applied to the district.
17 Instead, Sections 54.711-54.715, Water Code, applied
18 to the district under Section 54.034 of that code. See
19 Revisor's Note (3) to Section 8271.002. Chapter 715,
20 Acts of the 74th Legislature, Regular Session, 1995,
21 repealed Sections 54.711-54.715, Water Code, and
22 enacted Section 49.301, Water Code, to govern the
23 addition of land to a municipal utility district by the
24 petition of the landowner. The revised law is drafted
25 accordingly.

26 (3) Section 9, Chapter 306, Acts of the 61st
27 Legislature, Regular Session, 1969, refers to Article
28 7880--75b, Vernon's Texas Civil Statutes. Article
29 7880--75b was codified by Chapter 58, Acts of the 62nd
30 Legislature, Regular Session, 1971, as Sections
31 51.718-51.724, Water Code, relating to the addition of
32 land to a water control and improvement district by the
33 petition of less than all the landowners. After the
34 district converted to a municipal utility district in

1 1977, those sections no longer applied to the
2 district. Instead, Sections 54.716-54.726, Water
3 Code, applied to the district under Section 54.034 of
4 that code. See Revisor's Note (3) to Section 8271.002.
5 Chapter 715, Acts of the 74th Legislature, Regular
6 Session, 1995, repealed Sections 54.716-54.726, Water
7 Code, and enacted Section 49.302, Water Code, to
8 govern the addition of land to a municipal utility
9 district by the petition of less than all the
10 landowners. The revised law is drafted accordingly.

11 (4) Section 9, Chapter 306, Acts of the 61st
12 Legislature, Regular Session, 1969, refers to
13 "property taxpaying voters." The revised law omits
14 the reference to "property taxpaying" because in Hill
15 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the
16 United States Supreme Court determined that property
17 ownership as a qualification for voting is an
18 unconstitutional denial of equal protection.

19 Revised Law

20 Sec. 8271.006. STATE POLICY REGARDING WASTE DISPOSAL. The
21 district's powers and duties are subject to the state policy of
22 encouraging the development and use of integrated area-wide waste
23 collection, treatment, and disposal systems to serve the waste
24 disposal needs of this state's residents, if integrated systems can
25 reasonably be provided for an area, so as to avoid the economic
26 burden on residents and the effect on state water quality caused by
27 the construction and operation of numerous small waste collection,
28 treatment, and disposal facilities. (Acts 61st Leg., R.S., Ch.
29 306, Sec. 5 (part).)

30 Source Law

31 Sec. 5. . . .
32 The powers and duties conferred on the district
33 are granted subject to the policy of the state to
34 encourage the development and use of integrated
35 area-wide waste collection, treatment and disposal
36 systems to serve the waste disposal needs of the
37 citizens of the state, it being the objective of the
38 policy to avoid the economic burden to the people and

1 the impact on the quality of the waters in the state
2 which result from the construction and operation of
3 numerous small waste collection, treatment and
4 disposal facilities to serve an area when an
5 integrated area-wide waste collection, treatment and
6 disposal system for the area can be reasonably
7 provided.
8 . . .

9 Revisor's Note

10 Section 5, Chapter 306, Acts of the 61st
11 Legislature, Regular Session, 1969, refers to
12 "citizens" of the state. The revised law substitutes
13 "residents" for "citizens" because, in the context of
14 this section, "citizens" and "residents" are
15 synonymous and "residents" is more commonly used.

16 Revisor's Note
17 (End of Subchapter)

18 (1) Section 5, Chapter 306, Acts of the 61st
19 Legislature, Regular Session, 1969, provides that the
20 act prevails over any general law that applies to water
21 control and improvement districts and that is in
22 conflict or inconsistent with the act. The general law
23 applicable to water control and improvement districts
24 no longer applies to the district because the district
25 converted to a municipal utility district. See
26 Revisor's Note (3) to Section 8271.002. The revised
27 law omits the provision rather than codifying the
28 provision and substituting a reference to municipal
29 utility districts for the reference to water control
30 and improvement districts because the provision
31 duplicates, in substance, Section 311.026, Government
32 Code (Code Construction Act). The omitted law reads:

33 Sec. 5. [The district shall have and
34 exercise, and is hereby vested with, all of
35 the rights, powers, privileges, authority,
36 and functions conferred and imposed by the
37 general laws of this state now in force or
38 hereafter enacted, applicable to water
39 control and improvement districts created
40 under authority of Article XVI, Section 59,
41 Constitution of Texas, including without
42 limitation those conferred by Chapter 3A,
43 Title 128 (Vernon's Texas Civil Statutes);
44 but] to the extent that the provisions of
45 any such general laws may be in conflict or

1 inconsistent with the provisions of this
2 Act, the provisions of this Act shall
3 prevail. . . .

4 (2) Section 5, Chapter 306, Acts of the 61st
5 Legislature, Regular Session, 1969, provides that any
6 general law relating to water control and improvement
7 districts is adopted and incorporated by reference.
8 The general law applicable to water control and
9 improvement districts no longer applies to the
10 district because the district converted to a municipal
11 utility district. See Revisor's Note (3) to Section
12 8271.002. The revised law omits the provision rather
13 than codifying the provision and substituting a
14 reference to municipal utility districts for the
15 reference to water control and improvement districts
16 because it is not necessary to duplicate by means of
17 adoption and incorporation the substance of general
18 laws applicable to the district. The omitted law
19 reads:

20 Sec. 5. . . . All such general laws
21 are hereby adopted and incorporated by
22 reference with the same effect as if
23 incorporated in full in this Act. . . .

24 (3) Section 22, Chapter 306, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that
26 Article 970a, Vernon's Texas Civil Statutes (Municipal
27 Annexation Act), does not apply to the creation of the
28 district. The revised law omits that provision as
29 executed. The omitted law reads:

30 Sec. 22. This district is hereby
31 created notwithstanding any of the
32 provisions of the Municipal Annexation Act,
33 being Article 970a (Vernon's Texas Civil
34 Statutes), as amended, and to the extent of
35 the creation of the district only, said
36 Article 970a shall have no
37 application. . . .

38 (4) Section 22, Chapter 306, Acts of the 61st
39 Legislature, Regular Session, 1969, provides that the
40 district is subject to certain other laws. The revised
41 law omits that provision because the laws cited apply

1 by their own terms. Section 22 refers to Article 970a,
2 Vernon's Texas Civil Statutes (Municipal Annexation
3 Act). In 1987, Article 970a was codified as Chapters
4 42 and 43, Local Government Code, and Section 212.003,
5 Local Government Code. Section 22 also refers to
6 Article 1182c--1, Vernon's Texas Civil Statutes, "as
7 amended." In 1987, Article 1182c--1 was codified as
8 Sections 43.074, 43.075, and 43.081, Local Government
9 Code.

10 The revised law omits "as amended" because, under
11 Section 311.027, Government Code (Code Construction
12 Act), a reference to a statute applies to all
13 reenactments, revisions, or amendments of that
14 statute, unless expressly provided otherwise. The
15 omitted law reads:

16 Sec. 22. . . . In all other
17 respects, the district hereby created is
18 expressly made subject to all provisions of
19 said Article 970a. District shall also be
20 subject to the provisions of Article
21 1182c--1 (Vernon's Texas Civil Statutes),
22 as amended.

23 [Sections 8271.007-8271.050 reserved for expansion]

24 SUBCHAPTER B. DISTRICT ADMINISTRATION

25 Revised Law

26 Sec. 8271.051. COMPOSITION OF BOARD. The board consists of
27 five elected directors. (Acts 61st Leg., R.S., Ch. 306, Sec. 10
28 (part).)

29 Source Law

30 Sec. 10. All powers of the district shall be
31 exercised by a board of five directors. . . .
32 Succeeding directors shall be elected or

33 Revisor's Note

34 (1) Section 10, Chapter 306, Acts of the 61st
35 Legislature, Regular Session, 1969, provides that
36 "[a]ll powers of the district shall be exercised by"
37 the board. The revised law omits the quoted language
38 because it duplicates, in substance, provisions of

1 Sections 49.051 and 49.057, Water Code. As indicated
2 throughout this chapter, the revised law omits law
3 that is superseded by Chapter 49, Water Code, or that
4 duplicates law contained in that chapter. Chapter 49,
5 Water Code, applies to the district under Sections
6 49.001 and 49.002 of that chapter.

7 (2) Section 10, Chapter 306, Acts of the 61st
8 Legislature, Regular Session, 1969, refers to
9 "[s]ucceeding directors" to distinguish the
10 succeeding directors from the initial directors named
11 in that section. The revised law omits "succeeding"
12 because all provisions referring to initial directors
13 are omitted as executed and the distinction is no
14 longer required.

15 Revised Law

16 Sec. 8271.052. DIRECTOR'S BOND. Each director shall
17 qualify by giving bond in the amount of \$5,000 for the faithful
18 performance of the director's duties. (Acts 61st Leg., R.S., Ch.
19 306, Sec. 10 (part).)

20 Source Law

21 Sec. 10. . . . Each director shall qualify by
22 subscribing to the constitutional oath of office and
23 giving bond in the amount of \$5,000 for the faithful
24 performance of his duties. . . .

25 Revisor's Note

26 (1) Section 10, Chapter 306, Acts of the 61st
27 Legislature, Regular Session, 1969, requires each
28 director to qualify "by subscribing to the
29 constitutional oath of office." The revised law omits
30 the quoted language because it duplicates, in
31 substance, Section 1, Article XVI, Texas Constitution.

32 (2) Section 10, Chapter 306, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that the
34 district shall pay the cost of a director's bond and
35 that the bond shall be approved by the board and
36 recorded in the district office. The revised law omits

1 board vice president shall perform all duties and exercise all
2 power this chapter or general law gives the president.

3 (b) If the board president is absent from a board meeting:

4 (1) the board vice president may sign an order or other
5 action adopted at the meeting; or

6 (2) the board may authorize the president to sign the
7 order or implement the action. (Acts 61st Leg., R.S., Ch. 306, Sec.
8 10 (part).)

9 Source Law

10 Sec. 10. . . . The vice president shall perform
11 all duties and exercise all power conferred by this Act
12 or the general law upon the president when the
13 president is absent or fails or declines to act. Any
14 order adopted or other action taken at a meeting of the
15 board of directors at which the president is absent may
16 be signed by the vice president, or the board may
17 authorize the president to sign such order or to
18 implement such other action.

19 Revised Law

20 Sec. 8271.054. 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:

28 (A) with the Texas Commission on Environmental
29 Quality; and

30 (B) in the municipal utility district records of
31 each county in which the district is located; and

32 (2) publishing notice of the location of the office in
33 a newspaper of general circulation in each county in which the
34 district is located.

35 (c) A district office that is a private residence, office,
36 or dwelling is a public place for matters relating to the district's
37 business.

38 (d) The board shall provide notice of any change in the

1 location of the district office outside the district in the manner
2 required by Subsection (b). (Acts 61st Leg., R.S., Ch. 306, Sec.
3 15.)

4 Source Law

5 Sec. 15. The board of directors shall
6 designate, establish and maintain a district office as
7 provided by Article 7880--44 (Vernon's Texas Civil
8 Statutes), and in addition may establish a second
9 district office outside the district. Either or both
10 district offices so established and maintained may be
11 a private residence, office or dwelling, in which
12 event such private residence, office or dwelling is
13 hereby declared to be a public place for matters
14 relating to the district's business.

15 If the board of directors establishes a district
16 office outside the district, it shall give notice of
17 the location of that district office by filing a true
18 copy of its resolution establishing the location of
19 such district office with the Texas Water Rights
20 Commission, by filing a true copy in the Water Control
21 and Improvement District records of the county or
22 counties in which district is located, and by
23 publishing a notice of the location in a newspaper of
24 general circulation in said county or counties.

25 If the location of the district office outside
26 the district is thereafter changed, notice of such
27 change shall be given in the same manner.

28 Revisor's Note

29 (1) Section 15, Chapter 306, Acts of the 61st
30 Legislature, Regular Session, 1969, refers to Article
31 7880--44, Vernon's Texas Civil Statutes. Article
32 7880--44 was codified by Chapter 58, Acts of the 62nd
33 Legislature, Regular Session, 1971, as Sections 51.094
34 and 51.096, Water Code, relating to the district
35 office and the minutes and records of the district,
36 respectively. After the district converted to a
37 municipal utility district in 1977, those sections no
38 longer applied to the district. See Revisor's Note (3)
39 to Section 8271.002. Chapter 715, Acts of the 74th
40 Legislature, Regular Session, 1995, enacted Section
41 49.062, Water Code, to govern the designation of
42 offices for certain districts, including municipal
43 utility districts. The revised law is drafted
44 accordingly.

45 (2) Section 15, Chapter 306, Acts of the 61st

1 Legislature, Regular Session, 1969, refers to a "true
2 copy" of a document. The revised law omits "true"
3 because a copy, by definition, accurately reflects the
4 content of the original document.

5 (3) Section 15, Chapter 306, Acts of the 61st
6 Legislature, Regular Session, 1969, refers to the
7 "Texas Water Rights Commission." The revised law
8 substitutes "Texas Commission on Environmental
9 Quality" for "Texas Water Rights Commission" to
10 reflect the current name of the agency with the
11 relevant regulatory authority.

12 Revisor's Note
13 (End of Subchapter)

14 (1) Section 10, Chapter 306, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that each
16 director shall serve until the director's successor is
17 elected or appointed and qualified. The revised law
18 omits that provision because Section 17, Article XVI,
19 Texas Constitution, requires an officer in this state
20 to continue to perform the officer's official duties
21 until a successor has qualified. The omitted law
22 reads:

23 Sec. 10. . . . Each director shall
24 serve for his term of office as herein
25 provided, and thereafter until his
26 successor shall be elected or appointed and
27 qualified. . . .

28 (2) Section 10, Chapter 306, Acts of the 61st
29 Legislature, Regular Session, 1969, names the initial
30 directors, requires them to qualify to serve as
31 directors before the first board meeting, provides for
32 filling vacancies in the office of director, and
33 provides that the named directors or their successors
34 shall serve until the second Tuesday in January 1971.
35 The revised law omits as executed the provisions
36 naming the initial directors, requiring them to
37 qualify by a certain time, and specifying the

1 expiration of their terms. Because the provision
2 specifying the procedure for filling vacancies in the
3 office of director is followed by a provision
4 requiring the named initial directors or their
5 successors to serve until a specified date in 1971, it
6 appears from the context that the provision relating
7 to the filling of vacancies also applies only to the
8 initial directors. Accordingly, the revised law also
9 omits that language as executed. The omitted law
10 reads:

11 Sec. 10. . . . Immediately after
12 this Act becomes effective, the following
13 named persons shall be the directors of the
14 district and shall constitute the board of
15 directors of the district:

16 J. F. Corley

17 Jack Culbertson

18 M. Dow Dunn

19 Luther W. Bell

20 George A. Heitmann

21 Said persons shall file their bonds as
22 soon as practicable after the effective
23 date of this Act and shall otherwise be
24 fully qualified to serve as directors prior
25 to the first meeting of the board of
26 directors. All vacancies in the office of
27 director shall be filled in the manner
28 provided by Article 7880--38 (Vernon's
29 Texas Civil Statutes); provided, however,
30 that if at any time the number of qualified
31 directors shall be less than three because
32 of the failure or refusal of one or more
33 directors to qualify or serve or because of
34 his or their death or incapacitation, or for
35 any other reason, the county judge of the
36 county in which the district is located
37 shall appoint the necessary number of
38 directors to fill all vacancies on the
39 board. The directors above named or their
40 duly appointed and qualified successor or
41 successors shall serve until the second
42 Tuesday in January, 1971. . . .

43 (3) Section 10, Chapter 306, Acts of the 61st
44 Legislature, Regular Session, 1969, provides for
45 directors to be elected or appointed and to serve for
46 the term and in the manner provided by Article
47 7880--37, Vernon's Texas Civil Statutes. Article
48 7880--37 was codified by Chapter 58, Acts of the 62nd
49 Legislature, Regular Session, 1971, as Section 51.073,
50 Water Code. After the district converted to a

1 municipal utility district in 1977, that section no
2 longer applied to the district. Instead, Section
3 54.103, Water Code, applied to the district under
4 Section 54.034 of that code. See Revisor's Note (3) to
5 Section 8271.002. Chapter 715, Acts of the 74th
6 Legislature, Regular Session, 1995, repealed Section
7 54.103, Water Code, and enacted Section 49.103, Water
8 Code, to govern the terms of office and manner of
9 election of directors of a municipal utility district
10 and certain other districts. Section 49.103, Water
11 Code, applies to the district without an express
12 reference to that section by this chapter. The revised
13 law omits "appointed" because it is clear from the
14 context of Section 10 that the reference applies only
15 to directors appointed to fill vacancies as provided
16 by Chapter 49, Water Code. The omitted law reads:

17 Sec. 10. . . . [Succeeding
18 directors shall be elected or] appointed
19 and shall serve for the term and in the
20 manner provided by Article 7880--37
21 (Vernon's Texas Civil Statutes). . . .

22 (4) Section 10, Chapter 306, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that
24 three directors constitute a quorum and that a
25 concurrence of three directors is sufficient in all
26 matters relating to the business of the district,
27 including certain construction matters. The revised
28 law omits that provision because it duplicates, in
29 substance, Section 49.053, Water Code. The omitted
30 law reads:

31 Sec. 10. . . . Three directors shall
32 constitute a quorum of any meeting, and a
33 concurrence of three shall be sufficient in
34 all matters pertaining to the business of
35 the district, including the letting of
36 construction contracts and the drawing of
37 warrants in payment for construction work,
38 the purchase of existing facilities, and
39 matters relating to construction
40 work. . . .

41 (5) Section 10, Chapter 306, Acts of the 61st

1 Legislature, Regular Session, 1969, provides for
2 certain powers of the board's president. The revised
3 law omits that provision because it duplicates, in
4 substance, Section 49.054(c), Water Code. The omitted
5 law reads:

6 Sec. 10. . . . The president may
7 execute all contracts, construction or
8 otherwise, entered into by the board of
9 directors on behalf of the district. . . .

10 [Sections 8271.055-8271.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Revised Law

13 Sec. 8271.101. MUNICIPAL UTILITY DISTRICT POWERS. The
14 district has all of the rights, powers, privileges, and functions
15 conferred and imposed by the general law of this state relating to
16 municipal utility districts created under Section 59, Article XVI,
17 Texas Constitution, including those conferred by Chapters 49 and
18 54, Water Code. (Acts 61st Leg., R.S., Ch. 306, Sec. 5 (part).)

19 Source Law

20 Sec. 5. The district shall have and exercise,
21 and is hereby vested with, all of the rights, powers,
22 privileges, authority, and functions conferred and
23 imposed by the general laws of this state now in force
24 or hereafter enacted, applicable to water control and
25 improvement districts created under authority of
26 Article XVI, Section 59, Constitution of Texas,
27 including without limitation those conferred by
28 Chapter 3A, Title 128 (Vernon's Texas Civil Statutes);
29 but

30 Revisor's Note

31 (1) Section 5, Chapter 306, Acts of the 61st
32 Legislature, Regular Session, 1969, states that the
33 district "shall have and exercise, and is hereby
34 vested with" certain powers. The revised law
35 substitutes "has" for the quoted language because in
36 the context of this section, the terms are synonymous
37 and "has" is more commonly used.

38 (2) Section 5, Chapter 306, Acts of the 61st
39 Legislature, Regular Session, 1969, refers to "rights,
40 powers, privileges, [and] authority" of the district.

1 The revised law omits "authority" as included in the
2 meaning of "powers."

3 (3) Section 5, Chapter 306, Acts of the 61st
4 Legislature, Regular Session, 1969, states that the
5 district has the rights, powers, privileges,
6 authority, and functions conferred by the general laws
7 of this state "now in force or hereafter enacted." The
8 revised law omits the quoted language because it is
9 unnecessary under accepted general principles of
10 statutory construction. The "general laws of this
11 state" means those laws "in force" at the time the
12 provision was adopted. It is not necessary to state
13 that the district may be granted additional powers by
14 later enacted laws because those laws apply on their
15 own terms.

16 (4) Section 5, Chapter 306, Acts of the 61st
17 Legislature, Regular Session, 1969, grants the
18 district certain powers, including "without
19 limitation" the powers conferred by Chapter 3A, Title
20 128, Vernon's Texas Civil Statutes. The revised law
21 omits "without limitation" because Section
22 311.005(13), Government Code (Code Construction Act),
23 provides that "includes" and "including" are terms of
24 enlargement and not limitation and do not create a
25 presumption that components not expressed are
26 excluded.

27 (5) Section 5, Chapter 306, Acts of the 61st
28 Legislature, Regular Session, 1969, refers to "Chapter
29 3A, Title 128 (Vernon's Texas Civil Statutes)." The
30 relevant provisions of that statute were codified by
31 Chapter 58, Acts of the 62nd Legislature, Regular
32 Session, 1971, as Chapter 51, Water Code. After the
33 district converted to a municipal utility district in
34 1977, Chapter 51, Water Code, no longer applied to the

1 district. Instead, Chapter 54, Water Code, applies to
2 the district under Section 54.034 of that code. See
3 Revisor's Note (3) to Section 8271.002. In 1995,
4 Section 2, Chapter 715, Acts of the 74th Legislature,
5 Regular Session, enacted Chapter 49, Water Code. To
6 reflect those changes, the revised law substitutes a
7 reference to Chapters 49 and 54, Water Code, for the
8 reference to "Chapter 3A, Title 128 (Vernon's Texas
9 Civil Statutes)."

10 (6) Section 5, Chapter 306, Acts of the 61st
11 Legislature, Regular Session, 1969, refers to the
12 continuing right of this state to supervise the
13 district through the Texas Water Rights Commission.
14 The revised law omits the provision because the Texas
15 Commission on Environmental Quality is the successor
16 to the Texas Water Rights Commission, and therefore
17 the provision duplicates, in substance, part of
18 Section 12.081, Water Code, which applies to the
19 district. The omitted law reads:

20 Sec. 5. . . . The rights, powers,
21 privileges, authority, and functions herein
22 granted to the district shall be subject to
23 the continuing right of supervision of the
24 state, to be exercised by and through the
25 Texas Water Rights Commission. . . .

26 Revised Law

27 Sec. 8271.102. ADDITIONAL POWERS. (a) The district may:

28 (1) make, purchase, construct, lease, or otherwise
29 acquire property, works, facilities, existing improvements, or
30 improvements to be made, constructed, or acquired that are:

31 (A) inside or outside the district's boundaries;
32 and

33 (B) necessary to carry out the powers granted by
34 this chapter or general law; or

35 (2) enter into a contract with a person on terms the
36 board considers desirable, fair, and advantageous for:

37 (A) the purchase or sale of water;

1 (B) the transportation, treatment, and disposal
2 of the domestic, industrial, or communal wastes of the district or
3 others;

4 (C) the continuing and orderly development of
5 land and property in the district through the purchase,
6 construction, or installation of facilities, works, or
7 improvements that the district is otherwise authorized to do or
8 perform so that, to the greatest extent reasonably possible,
9 considering sound engineering and economic practices, all of the
10 land and property may ultimately receive the services of the
11 facilities, works, or improvements; and

12 (D) the performance of any of the powers granted
13 by this chapter or general law.

14 (b) A contract under Subsection (a)(2) may not have a
15 duration of more than 40 years. (Acts 61st Leg., R.S., Ch. 306,
16 Sec. 5 (part).)

17 Source Law

18 Sec. 5. . . . Not by way of limitation, the
19 district shall have and is hereby expressly granted
20 the following rights, powers, privileges, and
21 functions:

22 (a) The power and authority to make,
23 purchase, construct, lease, or otherwise acquire
24 property, works, facilities, and improvements
25 (whether previously existing or to be made,
26 constructed, or acquired) within or without the
27 boundaries of the district necessary to carry out the
28 powers and authority granted by this Act and the
29 general laws.

30 (b) The right, power, and authority to
31 enter into contracts of not exceeding 40 years
32 duration with persons, corporations (public or
33 private), municipal corporations, political
34 subdivisions of the State of Texas, and others, and on
35 such terms and conditions as the board of directors may
36 deem desirable, fair, and advantageous for:

37 (1) the purchase and sale of water,
38 or either;

39 (2) the transportation, treatment
40 and disposal of its domestic, industrial or communal
41 wastes or the transportation, treatment and disposal
42 of domestic, industrial or communal wastes of others;

43 (3) the continuing and orderly
44 development of the lands and property within the
45 district through the purchase, construction or
46 installation of facilities, works or improvements
47 which the district may otherwise be empowered and
48 authorized to do or perform so that, to the greatest
49 extent reasonably possible, considering sound
50 engineering and economic practices, all of such lands
51 and property may be placed in a position to ultimately

1 receive the services of such facilities, works or
2 improvements; and
3 (4) the performance of any of the
4 rights or powers granted in this Act and the general
5 laws. . . .

6 Revisor's Note

7 (1) Section 5, Chapter 306, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that,
9 "[n]ot by way of limitation," the district has certain
10 specified rights, powers, privileges, and functions.
11 The revised law omits the quoted language because it is
12 an accepted general principle of statutory
13 construction that a grant of a right, power,
14 privilege, or function does not act as a limitation.
15 The general principle applies to this revision.

16 (2) Section 5, Chapter 306, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that the
18 district "shall have and is hereby expressly granted
19 the following rights, powers, privileges, and
20 functions" to take certain actions. The revised law
21 substitutes "may" for the quoted language because that
22 term is more concise and is the substantive equivalent
23 of the quoted language.

24 (3) Section 5, Chapter 306, Acts of the 61st
25 Legislature, Regular Session, 1969, refers to the
26 power of the district to enter into contracts with
27 persons, "corporations (public or private), municipal
28 corporations, political subdivisions of the State of
29 Texas, and others." The revised law omits the quoted
30 language because under Section 311.005(2), Government
31 Code (Code Construction Act), "person" is defined to
32 include any legal entity.

33 (4) Section 5, Chapter 306, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that the
35 district may enter into a contract on "terms and
36 conditions" the board considers desirable, fair, and
37 advantageous. The revised law omits the reference to

1 "conditions" because "conditions" is included in the
2 meaning of "terms."

3 Revised Law

4 Sec. 8271.103. EMINENT DOMAIN. The district may exercise
5 the power of eminent domain only:

6 (1) in a county in which the district is located; and

7 (2) when necessary to carry out the purposes for which
8 the district was created. (Acts 61st Leg., R.S., Ch. 306, Sec. 13
9 (part).)

10 Source Law

11 Sec. 13. The power of eminent domain of the
12 district shall be limited to the county or counties in
13 which the district is situated, and to situations
14 where the exercise of such power is necessary in order
15 to carry out the purposes for which the district was
16 created. . . .

17 Revised Law

18 Sec. 8271.104. COST OF RELOCATING OR ALTERING PROPERTY.

19 (a) In this section, "sole expense" means the actual cost of
20 relocating, raising, lowering, rerouting, changing the grade of, or
21 altering the construction of a facility described by Subsection (b)
22 in providing comparable replacement without enhancement of the
23 facility, after deducting from that cost the net salvage value of
24 the old facility.

25 (b) If the district's exercise of the power of eminent
26 domain, the power of relocation, or any other power conferred by
27 this chapter makes necessary the relocation, raising, rerouting,
28 changing the grade, or alteration of the construction of a highway,
29 a railroad, an electric transmission line, a telegraph or telephone
30 property or facility, or a pipeline, the necessary action shall be
31 accomplished at the sole expense of the district. (Acts 61st Leg.,
32 R.S., Ch. 306, Sec. 13 (part).)

33 Source Law

34 Sec. 13. . . . In the event that the district,
35 in the exercise of the power of eminent domain or power
36 of relocation, or any other power granted hereunder,
37 makes necessary the relocation, raising, rerouting or
38 changing the grade of, or altering the construction
39 of, any highway, railroad, electric transmission line,
40 telegraph or telephone properties and facilities, or

1 pipeline, all such necessary relocation, raising,
2 rerouting, changing of grade or alteration of
3 construction shall be accomplished at the sole expense
4 of the district. The term "sole expense" shall mean
5 the actual cost of such relocation, raising, lowering,
6 rerouting, or change in grade or alteration of
7 construction in providing comparable replacement
8 without enhancement of such facilities, after
9 deducting therefrom the net salvage value derived from
10 the old facility.

11 Revised Law

12 Sec. 8271.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR
13 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district and a
14 political subdivision may enter into a contract for water, sewer,
15 or drainage services or any combination of those services without
16 the necessity of an election by any contracting party to approve the
17 contract.

18 (b) The district may pay for an obligation incurred by such
19 a contract by issuing bonds that, if otherwise necessary, have been
20 approved by the voters in the manner provided by this chapter.

21 (c) The district may deliver the district's bonds to the
22 United States or an agency or instrumentality of the United States,
23 or to this state or an agency or instrumentality of this state, that
24 entered into a contract with the district. (Acts 61st Leg., R.S.,
25 Ch. 306, Sec. 5 (part).)

26 Source Law

27 Sec. 5. . . . No election shall be required of
28 the district or any municipal corporation or other
29 political subdivisions for approval of water, sewer or
30 drainage contracts or any combination thereof, but
31 such contracts may be entered into without the
32 necessity of an election by any contracting party. The
33 district may make payment of the obligations incurred
34 by any such contract by the issuance of bonds which, if
35 otherwise necessary, have been approved by the voters
36 in the manner provided for in this Act. The district
37 may deliver its bonds to the United States, or any
38 agency or instrumentality thereof, or to the State of
39 Texas, or any agency or instrumentality thereof, which
40 entered into such contracts with the district.

41 Revisor's Note

42 Section 5, Chapter 306, Acts of the 61st
43 Legislature, Regular Session, 1969, provides that the
44 district may contract with "any municipal corporation
45 or other political subdivisions." The revised law
46 omits the reference to "any municipal corporation"

1 because "municipal corporation" is included in the
2 meaning of "political subdivision."

3 Revised Law

4 Sec. 8271.106. NOTICE OF ELECTION. The board president or
5 secretary may give notice of an election. (Acts 61st Leg., R.S.,
6 Ch. 306, Sec. 19.)

7 Source Law

8 Sec. 19. Notice of all elections may be given
9 under the hand of either the president or the secretary
10 of the district.

11 Revised Law

12 Sec. 8271.107. DISTRICT RULES. The district shall adopt
13 and enforce reasonable and effective rules to secure and maintain
14 safe, sanitary, and adequate plumbing installations, connections,
15 and appurtenances as subsidiary parts of the district's sewerage
16 system to preserve the quality of water within or controlled by the
17 district. (Acts 61st Leg., R.S., Ch. 306, Sec. 16.)

18 Source Law

19 Sec. 16. The district is directed to adopt and
20 enforce reasonable and effective regulations to secure
21 and maintain safe, sanitary, and adequate plumbing
22 installations, connections, and appurtenances
23 thereto, as subsidiary parts of the district's
24 sewerage system, to aid in preserving the quality of
25 all water within or controlled by the district.

26 Revisor's Note

27 Section 16, Chapter 306, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that the
29 district shall adopt certain "regulations." The
30 revised law substitutes "rules" because under Section
31 311.005(5), Government Code (Code Construction Act),
32 "rule" is defined to include "regulation," and "rule"
33 is the term more commonly used.

34 [Sections 8271.108-8271.150 reserved for expansion]

35 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

36 Revised Law

37 Sec. 8271.151. TAX METHOD. (a) The district shall use the
38 ad valorem plan of taxation.

1 (b) The board is not required to call or hold a hearing on
2 the adoption of a plan of taxation. (Acts 61st Leg., R.S., Ch. 306,
3 Sec. 8.)

4 Source Law

5 Sec. 8. It shall not be necessary for the board
6 of directors to call or hold a hearing on the adoption
7 of a plan of taxation, but the ad valorem plan of
8 taxation shall be used by the district.

9 Revised Law

10 Sec. 8271.152. DISTRICT ACCOUNTS. The district shall keep
11 a complete system of the district's accounts. (Acts 61st Leg.,
12 R.S., Ch. 306, Sec. 14 (part).)

13 Source Law

14 Sec. 14. . . . A complete system of accounts
15 shall be kept by the district, and

16 Revised Law

17 Sec. 8271.153. COPY OF AUDIT REPORT. A copy of the audit
18 report prepared under Subchapter G, Chapter 49, Water Code, shall
19 be delivered:

20 (1) to each director; and

21 (2) to a holder of at least 25 percent of the
22 outstanding bonds of the district, on request. (Acts 61st Leg.,
23 R.S., Ch. 306, Sec. 14 (part); New.)

24 Source Law

25 Sec. 14. . . . A written report of the audit
26 shall be delivered to each member of the board of
27 directors . . . a copy of such audit report shall be
28 delivered upon request to the holder or holders of at
29 least 25 percent of the then outstanding bonds of the
30 district; and

31 Revisor's Note

32 (1) Section 14, Chapter 306, Acts of the 61st
33 Legislature, Regular Session, 1969, refers to various
34 audit procedures, including who may receive a copy of
35 the audit report. As detailed in the revisor's notes
36 that follow, procedures that are superseded by
37 Subchapter G, Chapter 49, Water Code, have been
38 omitted as superseded by Section 49.191(b), Water
39 Code, and the specific provisions in Subchapter G that

1 conflict with Chapter 306, Acts of the 61st
2 Legislature, Regular Session, 1969. Section 49.191(b)
3 states that Subchapter G "shall take precedence over
4 all prior statutory enactments." Subchapter G,
5 Chapter 49, Water Code, was enacted in 1995 by Section
6 2, Chapter 715, Acts of the 74th Legislature, Regular
7 Session. For context and the convenience of the
8 reader, the revised law adds a reference to the audit
9 report required by Subchapter G, Chapter 49, Water
10 Code.

11 (2) Section 14, Chapter 306, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that an
13 annual audit of the district's affairs shall be
14 prepared by an independent certified public accountant
15 or a firm of independent certified public accountants
16 of recognized integrity and ability. The revised law
17 omits that provision as superseded by Sections
18 49.191(b) and (c), Water Code (enacted by Section 2,
19 Chapter 715, Acts of the 74th Legislature, Regular
20 Session, 1995). The omitted law reads:

21 Sec. 14. . . . an audit of its
22 affairs for each year shall be prepared by
23 an independent certified public accountant,
24 or a firm of independent certified public
25 accountants, of recognized integrity and
26 ability. . . .

27 (3) Section 14, Chapter 306, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that a
29 written report of the audit shall be delivered to each
30 board member not later than 90 days after the close of
31 each fiscal year. The revised law omits the deadline
32 for delivery of the report as superseded by Sections
33 49.191(b) and (d), Water Code (enacted by Section 2,
34 Chapter 715, Acts of the 74th Legislature, Regular
35 Session, 1995). The omitted law reads:

36 Sec. 14. . . . [A written report of
37 the audit shall be delivered to each member
38 of the board of directors] not later than 90

1 days after the close of each fiscal year;
2 and

3 (4) Section 14, Chapter 306, Acts of the 61st
4 Legislature, Regular Session, 1969, provides that at
5 least five copies of the audit report shall be
6 delivered to the district office and that one of those
7 copies shall constitute a public record. The revised
8 law omits those provisions as superseded by Sections
9 49.191(b), 49.194(c), and 49.196(b), Water Code
10 (enacted by Section 2, Chapter 715, Acts of the 74th
11 Legislature, Regular Session, 1995). The omitted law
12 reads:

13 Sec. 14. . . . at least five
14 additional copies of said audit shall be
15 delivered to the office of the district, one
16 of which shall be kept on file, and shall
17 constitute a public record open to
18 inspection by any interested person or
19 persons within normal office hours; and
20

21 (5) Section 14, Chapter 306, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that one
23 copy of the audit report shall be filed with the Texas
24 Water Rights Commission. The revised law omits that
25 provision as superseded by Sections 49.191(b) and
26 49.194(a), Water Code (enacted by Section 2, Chapter
27 715, Acts of the 74th Legislature, Regular Session,
28 1995). The omitted law reads:

29 Sec. 14. . . . one copy of such audit
30 report shall be filed with the Texas Water
31 Rights Commission. . . .

32 (6) Section 14, Chapter 306, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that the
34 district shall pay the cost of the audit. The revised
35 law omits that provision because it duplicates Section
36 49.191(a), Water Code. The omitted law reads:

37 Sec. 14. . . . The cost of said audit
38 shall be borne by the district.

39 Revised Law
40 Sec. 8271.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

1 The district is not required to pay a tax or assessment on:

2 (1) district property; or

3 (2) a purchase made by the district. (Acts 61st Leg.,
4 R.S., Ch. 306, Sec. 24 (part).)

5 Source Law

6 Sec. 24. . . . the district shall not be
7 required to pay any tax or assessment on its properties
8 or any part thereof or on any purchases made by the
9 district.

10 Revised Law

11 Sec. 8271.155. DEPOSITORY. (a) The board shall select one
12 or more banks in this state to act as depository for the district's
13 money.

14 (b) To the extent that money in the 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 (c) A director may be a shareholder in a bank that is a
19 depository of district money. (Acts 61st Leg., R.S., Ch. 306, Sec.
20 14 (part).)

21 Source Law

22 Sec. 14. The board of directors of the district
23 shall select any bank or banks in the State of Texas to
24 act as depository or depositories for the funds of the
25 district. To the extent that funds in the depository
26 bank or banks are not insured by the Federal Deposit
27 Insurance Corporation, they shall be secured in the
28 manner provided by law for the security of county
29 funds. Any director of the district may be a
30 shareholder in said depository bank or banks. . . .

31 Revisor's Note

32 Section 14, Chapter 306, Acts of the 61st
33 Legislature, Regular Session, 1969, refers to the
34 district's "funds." The revised law substitutes
35 "money" for "funds" because, in the context of
36 district funds, the meaning is the same and "money" is
37 the more commonly used term.

38 Revisor's Note
39 (End of Subchapter)

40 Section 14, Chapter 306, Acts of the 61st

1 refunded; but in lieu thereof the orders or
2 resolutions authorizing their issuance may provide
3 that they shall be sold and the proceeds thereof
4 deposited in the place or places where the underlying
5 bonds are payable, in which case the refunding bonds
6 may be issued provided an amount sufficient to pay the
7 interest of and principal on the underlying bonds to
8 their maturity dates or to their option dates if said
9 bonds have been duly called for payment prior to
10 maturity according to their terms has been so
11 deposited in the place or places where said underlying
12 bonds are payable, and the comptroller of public
13 accounts shall register them without the surrender and
14 cancellation of the underlying bonds. . . .

15 Revisor's Note

16 (1) Section 12, Chapter 306, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that the
18 district "shall have the power and authority" to issue
19 certain bonds. The revised law substitutes "may" for
20 the quoted language for the reason stated in Revisor's
21 Note (2) to Section 8271.102.

22 (2) Section 12, Chapter 306, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that
24 refunding bonds "shall be approved by the attorney
25 general as in the case of original bonds." The revised
26 law omits the quoted language because it is superseded
27 by Section 1202.003, Government Code, enacted in 1987
28 as Section 3.002(a), Chapter 53, Acts of the 70th
29 Legislature, 2nd Called Session (Article 717k-8,
30 Vernon's Texas Civil Statutes). That section applies
31 to district bonds by application of Section 1202.001,
32 Government Code.

33 (3) Section 12, Chapter 306, Acts of the 61st
34 Legislature, Regular Session, 1969, refers to bonds
35 that have been "duly" called for payment before their
36 maturity. The revised law omits "duly" in this context
37 because it does not add to the clear meaning of the
38 law.

39 Revisor's Note
40 (End of Subchapter)

41 (1) Section 11, Chapter 306, Acts of the 61st
42 Legislature, Regular Session, 1969, provides that the

1 district shall comply with the requirements of Article
2 7880--139, Vernon's Texas Civil Statutes. Article
3 7880--139 was codified by Chapter 58, Acts of the 62nd
4 Legislature, Regular Session, 1971, as Sections 51.421
5 and 51.422, Water Code. After the district was
6 converted to a municipal utility district in 1977,
7 those sections no longer applied to the district.
8 Instead, Sections 54.516 and 54.517, Water Code,
9 applied to the district under Section 54.034 of that
10 code. See Revisor's Note (3) to Section 8271.002.
11 Chapter 715, Acts of the 74th Legislature, Regular
12 Session, 1995, repealed Sections 54.516 and 54.517,
13 Water Code, and enacted Sections 49.181 and 49.182,
14 Water Code, to govern the authority of the Texas
15 Commission on Environmental Quality over the issuance
16 of district bonds and supervision by the commission of
17 projects and improvements, respectively. Sections
18 49.181 and 49.182, Water Code, apply to the district on
19 their own terms, without an express reference to those
20 sections in this chapter. The omitted law reads:

21 Sec. 11. The district shall comply
22 with the requirements of Article 7880--139
23 (Vernon's Texas Civil Statutes).

24 (2) Section 12, Chapter 306, Acts of the 61st
25 Legislature, Regular Session, 1969, refers to the
26 district's authority to issue bonds for specific
27 purposes. The revised law omits that provision
28 because it duplicates Section 54.501, Water Code. The
29 omitted law reads:

30 Sec. 12. The district is hereby
31 authorized to issue [its negotiable tax
32 bonds, revenue bonds, or tax and revenue]
33 bonds to provide funds for any or all of the
34 purposes set out or incorporated by
35 reference herein, including the acquisition
36 of land therefor, and

37 (3) Section 12, Chapter 306, Acts of the 61st
38 Legislature, Regular Session, 1969, authorizes the

1 district to issue "negotiable" bonds and provides for
2 the payment of those bonds. The revised law omits the
3 reference to "negotiable" bonds because Section
4 1201.041, Government Code, provides that a public
5 security is a negotiable instrument. Section 1201.041
6 applies to district bonds by application of Section
7 1201.002, Government Code. The revised law omits the
8 provision regarding the payment of district bonds
9 because the provision duplicates, in substance,
10 Section 54.503, Water Code. The omitted law reads:

11 Sec. 12. [The district is hereby
12 authorized to issue] its negotiable tax
13 bonds, revenue bonds, or tax and revenue
14 [bonds]

15 The bonds issued hereunder may be
16 payable from all or any designated part or
17 parts of the revenues of the district's
18 properties and facilities or under specific
19 contracts, as may be provided in the orders
20 or resolutions authorizing the issuance of
21 such bonds; and,

22 (4) Section 12, Chapter 306, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that
24 district bonds shall be issued under Chapter 3A, Title
25 128, and Article 7880--90a, Vernon's Texas Civil
26 Statutes. Chapter 58, Acts of the 62nd Legislature,
27 Regular Session, 1971, codified the relevant
28 provisions of Chapter 3A, Title 128, as Chapter 51,
29 Water Code. The same act codified Article 7880--90a as
30 Sections 51.450-51.454, Water Code. The revised law
31 omits the references to those laws because the
32 district converted from a water control and
33 improvement district governed by Chapter 51, Water
34 Code, to a municipal utility district governed by
35 Chapter 54, Water Code. See Revisor's Note (3) to
36 Section 8271.002. The provisions of Chapter 54, Water
37 Code, apply on their own terms. The omitted law reads:

38 Sec. 12. . . . said bonds shall be
39 issued in the manner provided and as
40 authorized by Article 7880--90a (Vernon's
41 Texas Civil Statutes), and Chapter 3A of

1 Title 128 (Vernon's Texas Civil Statutes),
2 as presently in effect or as hereafter
3 amended;

4 (5) Section 12, Chapter 306, Acts of the 61st
5 Legislature, Regular Session, 1969, provides that an
6 election is not required for bonds payable from
7 revenues. The revised law omits that provision
8 because it duplicates, in substance, Section 54.505,
9 Water Code. The omitted law reads:

10 Sec. 12. . . . provided, however,
11 that bonds payable solely from net revenues
12 may be issued by resolution or order of the
13 board of directors and no election therefor
14 shall be necessary. . . .

15 (6) Section 12, Chapter 306, Acts of the 61st
16 Legislature, Regular Session, 1969, provides that
17 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
18 applies to bonds issued under Section 12 except when
19 Chapter 3A is inconsistent or in conflict with Section
20 12. The revised law omits the provision for the
21 reasons stated in Revisor's Note (4) to the end of this
22 subchapter and Revisor's Note (1) to the end of
23 Subchapter A. The omitted law reads:

24 Sec. 12. . . . except as the same may
25 be inconsistent or in conflict with the
26 provisions of this Act, the provisions of
27 said Chapter 3A of Title 128 (Vernon's Texas
28 Civil Statutes), as presently in effect or
29 as hereafter amended, shall apply to all
30 bonds issued under the provisions of this
31 Act (the provisions of this Act to govern
32 and take precedence in the event of any such
33 inconsistency or conflict). . . .

34 (7) Section 12, Chapter 306, Acts of the 61st
35 Legislature, Regular Session, 1969, provides for
36 additional security for bonds. The revised law omits
37 that provision because it duplicates Section 54.504,
38 Water Code. The omitted law reads:

39 Sec. 12. . . .
40 Such bonds, within the discretion of
41 the board of directors, may be additionally
42 secured by a deed of trust or mortgage lien
43 upon part or all of the physical properties
44 of the district, and franchises, easements,
45 water rights and appropriation permits,
46 leases, and contracts and all rights

1 appurtenant to such properties, vesting in
2 the trustee power to sell such properties
3 for payment of the indebtedness, power to
4 operate the properties and all other powers
5 and authority for the further security of
6 the bonds. [Such trust indenture,
7 regardless of the existence of the deed of
8 trust or mortgage lien on the properties,
9 may contain provisions prescribed by the
10 board of directors for the security of the
11 bonds and the preservation of the trust
12 estate, and [may make provisions for]
13 amendment or modification thereof and . . .
14 may condition the right to expend district
15 money or sell district property upon
16 approval of a registered professional
17 engineer selected as provided therein and
18 may make provision for investment of funds
19 of the district. Any purchaser under a sale
20 under the deed of trust or mortgage lien,
21 where one is given, shall be absolute owner
22 of the properties, facilities, and rights
23 so purchased and shall have the right to
24 maintain and operate same. . . .

25 (8) Section 12, Chapter 306, Acts of the 61st
26 Legislature, Regular Session, 1969, specifies various
27 provisions of bonds. The revised law omits that
28 provision because it duplicates Section 54.510, Water
29 Code. The omitted law reads:

30 Sec. 12. . . .
31 In the orders or resolutions
32 authorizing the issuance of any revenue,
33 tax-revenue, revenue refunding, or
34 tax-revenue refunding bonds authorized
35 hereunder, the district's board of
36 directors may provide for the flow of funds,
37 the establishment and maintenance of the
38 interest and sinking fund or funds, reserve
39 fund or funds, and other funds, and may make
40 additional covenants with respect to the
41 bonds and the pledged revenues and the
42 operation and maintenance of those
43 improvements and facilities (the revenues
44 of which are pledged), including provisions
45 for the operation or for the leasing of all
46 or any part of said improvements and
47 facilities and the use or pledge of moneys
48 derived from such operation contracts and
49 leases as such board may deem appropriate.
50 Such orders or resolutions may also
51 prohibit the further issuance of bonds or
52 other obligations payable from the pledged
53 revenues, or may reserve the right to issue
54 additional bonds to be secured by a pledge
55 of and payable from said revenues on a
56 parity with, or subordinate to, the lien and
57 pledge in support of the bonds being issued,
58 subject to such conditions as are set forth
59 in such orders or resolutions. Such orders
60 or resolutions may contain other provisions
61 and covenants, as the district's board of
62 directors may determine, not prohibited by
63 the Constitution of Texas or by this Act,

1 and said board may adopt and cause to be
2 executed any other proceedings or
3 instruments necessary and/or convenient in
4 the issuance of any such bonds. . . .

5 (9) Section 12, Chapter 306, Acts of the 61st
6 Legislature, Regular Session, 1969, provides for the
7 use of bond proceeds to pay expenses incurred and to be
8 incurred in the issuance, sale, and delivery of the
9 bonds. The revised law omits that provision because it
10 duplicates, in substance, Section 49.155, Water Code.
11 The omitted law reads:

12 Sec. 12. . . .
13 [From the proceeds of sale of any bonds
14 issued hereunder, the district may
15 appropriate or set aside out of the bond
16 proceeds] . . . an amount necessary to pay
17 all expenses incurred and to be incurred in
18 the issuance, sale and delivery of the
19 bonds. . . .

20 (10) Section 12, Chapter 306, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that
22 money in a fund established or provided for in a bond
23 order or resolution may be invested in securities as
24 provided in the bond order or may be placed on
25 interest-bearing time deposit. The revised law omits
26 that provision because it is superseded by Subchapter
27 A, Chapter 2256, Government Code (enacted as Chapter
28 889, Acts of the 70th Legislature, Regular Session,
29 1987). The omitted law reads:

30 Sec. 12. . . . Moneys in the interest
31 and sinking fund or funds and the reserve
32 fund or funds, and in the other fund or
33 funds established or provided for in the
34 bond orders or resolutions may be invested
35 in such manner and in such securities as may
36 be provided in the bond order or orders or
37 may be placed on interest-bearing time
38 deposit. . . .

39 (11) Section 12, Chapter 306, Acts of the 61st
40 Legislature, Regular Session, 1969, provides that bond
41 proceeds may be invested in securities of the United
42 States or placed on interest-bearing time deposit.
43 The revised law omits that provision as superseded by
44 Subchapter A, Chapter 2256, Government Code (enacted

1 as Chapter 889, Acts of the 70th Legislature, Regular
2 Session, 1987). The omitted law reads:

3 Sec. 12. . . . Until such time as the
4 bond proceeds are needed to carry out the
5 bond purposes, such proceeds may be
6 invested in securities of the United States
7 government or any agency thereof or may be
8 placed on interest-bearing time deposit,
9 either or both. . . .

10 (12) Section 12, Chapter 306, Acts of the 61st
11 Legislature, Regular Session, 1969, provides that
12 district bonds may be registered as to principal or as
13 to principal and interest. The revised law omits that
14 provision because it duplicates Section 1201.024,
15 Government Code. That section applies to district
16 bonds by application of Section 1201.002, Government
17 Code. The omitted law reads:

18 Sec. 12. . . . Any such revenue
19 bonds, tax-revenue bonds, revenue refunding
20 bonds, or tax-revenue refunding bonds
21 hereinafter mentioned may be registrable as
22 to principal or as to both principal and
23 interest. . . .

24 (13) Section 12, Chapter 306, Acts of the 61st
25 Legislature, Regular Session, 1969, requires the
26 district to deliver its bonds to the attorney general
27 for examination and approval. The revised law omits
28 that provision because it duplicates, in substance,
29 Section 1202.003, Government Code. Section 1202.003,
30 Government Code, applies to district bonds by
31 application of Section 1202.001, Government Code. The
32 omitted law reads:

33 Sec. 12. . . .
34 After any bonds have been authorized
35 by the district hereunder, such bonds and
36 the record relating to their issuance shall
37 be submitted to the Attorney General of the
38 State of Texas for his examination as to the
39 validity thereof; and

40 (14) Section 12, Chapter 306, Acts of the 61st
41 Legislature, Regular Session, 1969, provides that
42 after approval the bonds shall be registered with the
43 comptroller. The revised law omits that provision as

1 superseded by Section 1202.005, Government Code
2 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
3 of the 70th Legislature, 2nd Called Session). Section
4 1202.005, Government Code, applies to district bonds
5 by application of Section 1202.001, Government Code.
6 The omitted law reads:

7 Sec. 12. . . . after said attorney
8 general has approved the same, such bonds
9 shall be registered by the Comptroller of
10 Public Accounts of the State of
11 Texas. . . .

12 (15) Section 12, Chapter 306, Acts of the 61st
13 Legislature, Regular Session, 1969, provides that
14 after approval and registration, district bonds are
15 incontestable except for forgery or fraud. The
16 revised law omits that provision as impliedly repealed
17 by Section 1202.006, Government Code (enacted as
18 Section 3.002(d), Chapter 53, Acts of the 70th
19 Legislature, 2nd Called Session, 1987). Section
20 1202.006, Government Code, provides that after
21 approval and registration, bonds are incontestable for
22 any reason. Section 1202.006 applies to district
23 bonds by application of Section 1202.001, Government
24 Code. The omitted law reads:

25 Sec. 12. . . . When such bonds have
26 been approved by the attorney general,
27 registered by the comptroller of public
28 accounts, and delivered to the purchasers,
29 they shall thereafter be incontestable
30 except for forgery or fraud. . . .

31 (16) Section 12, Chapter 306, Acts of the 61st
32 Legislature, Regular Session, 1969, details various
33 procedures regarding the attorney general's approval
34 of bond contracts and proceedings. The revised law
35 omits the portion of Section 12 regarding the
36 incontestability of a contract the proceeds of which
37 are pledged to the payment of a bond as impliedly
38 repealed by Section 1202.006, Government Code (enacted
39 as Section 3.002(d), Chapter 53, Acts of the 70th

1 Legislature, 2nd Called Session, 1987). Section
2 1202.006, Government Code, provides that after
3 approval and registration of the bond, the bond and
4 contract are incontestable for any reason. Section
5 1202.006 applies to district bonds by application of
6 Section 1202.001, Government Code. The omitted law
7 reads:

8 Sec. 12. . . . When any bonds recite
9 that they are secured partially or
10 otherwise by a pledge of the proceeds of a
11 contract or contracts made between the
12 district and another party or parties
13 (private or public), a copy of such contract
14 or contracts and the proceedings
15 authorizing the same may or may not be
16 submitted to the attorney general along
17 with the bond record, and, if so submitted,
18 the approval of the attorney general of the
19 bonds shall constitute an approval of such
20 contract or contracts, and thereafter the
21 contract or contracts shall be
22 incontestable for any cause except for
23 forgery or fraud. . . .

24 (17) Section 12, Chapter 306, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that the
26 district may sell bonds only after taking public bids.
27 The revised law omits that provision because it
28 duplicates, in substance, Section 49.183(a), Water
29 Code. The omitted law reads:

30 Sec. 12. . . . The district's bonds
31 shall be sold only after taking public bids
32 therefor.

33 (18) Section 17, Chapter 306, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that the
35 district may sell bonds at any price or on any terms,
36 except that the price may not be less than that
37 provided by law. The revised law omits that provision
38 because it duplicates Section 1204.006(b), Government
39 Code. Section 1204.006(b) provides that an issuer may
40 sell public securities at any price and applies to
41 district bonds by application of Section 1204.001,
42 Government Code. The omitted law reads:

43 Sec. 17. Bonds of the district may be

1 sold at a price and upon the terms
2 determined by the board of directors of the
3 district, except that such bonds shall not
4 be sold for a less amount than provided by
5 law.

6 (19) Section 18, Chapter 306, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that
8 elections to authorize district bonds must be held
9 under applicable general law. Section 18 also
10 provides that if the first bond election fails, any
11 provision of the general law relating to the
12 dissolution of a district when a bond election fails
13 does not apply to the district. The revised law omits
14 the provision relating to the first bond election as
15 executed. The revised law omits the provision
16 requiring bond elections to be held under applicable
17 general law because the provision duplicates Section
18 49.101, Water Code. The omitted law reads:

19 Sec. 18. All elections to authorize
20 the issuance of bonds by the district shall
21 be held pursuant to the general law
22 applicable thereto; provided, however, that
23 if the first bond election fails, Article
24 7880--77b (Vernon's Texas Civil Statutes),
25 or any other provision of the general law
26 pertaining to dissolution of the district
27 when a bond election fails shall not apply.

28 (20) Section 21, Chapter 306, Acts of the 61st
29 Legislature, Regular Session, 1969, lists the entities
30 for which district bonds are legal investments and
31 provides that district bonds may secure deposits of
32 public funds of the state or political subdivisions.
33 The revised law omits the provision relating to the
34 eligibility of district bonds to be considered as
35 investments for various entities because it duplicates
36 Section 49.186(a), Water Code. The revised law omits
37 the provision relating to deposits of state funds by
38 the comptroller as impliedly repealed by Section
39 404.0221, Government Code (enacted in 1995), which
40 lists eligible collateral for deposits of state funds
41 by the comptroller. As to deposits of other funds, the

1 provision is impliedly repealed by Chapter 2257,
2 Government Code (enacted in 1989 as Article 2529d,
3 Vernon's Texas Civil Statutes), which governs eligible
4 collateral for deposits of funds of other public
5 agencies, including political subdivisions, and
6 permits those deposits to be secured by obligations
7 issued by conservation and reclamation districts. The
8 omitted law reads:

9 Sec. 21. All bonds and refunding
10 bonds of the district shall be and are
11 hereby declared to be legal, eligible, and
12 authorized investments for banks, savings
13 and loan associations, insurance companies,
14 fiduciaries, trustees, and for the sinking
15 funds of cities, towns, villages, counties,
16 school districts, or other political
17 corporations or subdivisions of the State
18 of Texas, and for all public funds of the
19 State of Texas or its agencies, including
20 the State Permanent School Fund. Such bonds
21 and refunding bonds shall be eligible to
22 secure the deposit of any and all public
23 funds of the State of Texas, cities, towns,
24 villages, counties, school districts, or
25 other political corporations or
26 subdivisions of the State of Texas; and such
27 bonds shall be lawful and sufficient
28 security for said deposits to the extent of
29 their face value, when accompanied by all
30 unmatured coupons appurtenant thereto.

31 Revisor's Note
32 (End of Chapter)

33 (1) Section 6, Chapter 306, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that it
35 is not necessary for the board of directors to hold an
36 election to confirm the district's creation. The
37 revised law omits that provision as executed. The
38 omitted law reads:

39 Sec. 6. It shall not be necessary for
40 the board of directors to call or hold a
41 confirmation election for the confirmation
42 of the district.

43 (2) Section 7, Chapter 306, Acts of the 61st
44 Legislature, Regular Session, 1969, provides for the
45 exclusion of property from the district before the
46 first bond election is called. The revised law omits
47 that provision as executed because the district has

1 already issued bonds. The omitted law reads:

2 Sec. 7. It shall not be necessary for
3 the board of directors to call or hold a
4 hearing on the exclusions of land or other
5 property from the district; provided,
6 however, that the board shall hold such
7 hearing upon the written petition of any
8 landowner or other property owner within
9 the district filed with the secretary of the
10 board prior to the calling of the first bond
11 election for the district. The board of
12 directors shall give notice of the right of
13 a landowner or property owner to petition to
14 have his lands excluded by publishing same
15 in a newspaper of general circulation in the
16 county or counties in which the district is
17 situated one time at least 10 days prior to
18 the calling of the bond election. The board
19 may act on said petition in the same manner
20 as it may act on a petition for the addition
21 of land under Article 7880--75 (Vernon's
22 Texas Civil Statutes), and no notice of
23 hearing shall be required. . . .

24 (3) Section 7, Chapter 306, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that the
26 board may on its own motion hold a hearing on the
27 exclusion of property from the district in the manner
28 provided by general law. The revised law omits that
29 provision because it duplicates, in substance, Section
30 49.303(b), Water Code. The omitted law reads:

31 Sec. 7. . . . The board on its own
32 motion may call and hold an exclusions
33 hearing or hearings in the manner provided
34 by the general law.

35 (4) Section 20, Chapter 306, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that the
37 board shall canvass the returns of all elections. The
38 revised law omits that requirement because it
39 duplicates Section 67.002, Election Code, which
40 requires the governing body of a political subdivision
41 that orders an election to canvass the returns.
42 Section 20 also provides that the board shall canvass
43 the election returns "as soon as reasonably
44 practicable after an election." The revised law omits
45 that provision as superseded by Section 67.003,
46 Election Code (enacted by Section 1, Chapter 211, Acts

1 of the 69th Legislature, Regular Session, 1985). The
2 omitted law reads:

3 Sec. 20. The returns of all elections
4 shall be canvassed by the board of directors
5 of the district as soon as reasonably
6 practicable after an election.

7 (5) Section 23, Chapter 306, Acts of the 61st
8 Legislature, Regular Session, 1969, contains
9 legislative findings relating to the performance of
10 certain requirements under Section 59(d), Article XVI,
11 Texas Constitution, and to the authority of the
12 legislature to enact that chapter. The revised law
13 omits that provision as executed. The omitted law
14 reads:

15 Sec. 23. The Legislature specifically
16 finds and declares that the requirements of
17 Article XVI, Section 59(d), Constitution of
18 Texas, have been done and accomplished in
19 due course and time and in due order, and
20 that the Legislature has the power and
21 authority to enact this Act.

22 (6) Section 25, Chapter 306, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that the
24 act is severable. The revised law omits that provision
25 because it duplicates Section 311.032, Government Code
26 (Code Construction Act), which states that a provision
27 of a statute is severable from each other provision of
28 the statute that can be given effect. The omitted law
29 reads:

30 Sec. 25. If any word, phrase, clause,
31 paragraph, sentence, part, portion, or
32 provision of this Act or the application
33 thereof to any person or circumstance shall
34 be held to be invalid or unconstitutional,
35 the remainder of the Act shall nevertheless
36 be valid; and the Legislature hereby
37 declares that this Act would have been
38 enacted without such invalid or
39 unconstitutional word, phrase, clause,
40 paragraph, sentence, part, portion, or
41 provision.

42 CHAPTER 8272. HARRIS-MONTGOMERY COUNTIES MUNICIPAL
43 UTILITY DISTRICT NO. 386

1 SUBCHAPTER A. GENERAL PROVISIONS

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7 SUBCHAPTER B. BOARD OF DIRECTORS

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9 [Sections 8272.052-8272.100 reserved for expansion]

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17 CHAPTER 8272. HARRIS-MONTGOMERY COUNTIES MUNICIPAL
 18 UTILITY DISTRICT NO. 386

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Revised Law

21 Sec. 8272.001. DEFINITION. In this chapter, "district"
 22 means the Harris-Montgomery Counties Municipal Utility District
 23 No. 386. (Acts 77th Leg., R.S., Ch. 1381, Sec. 2.)

24 Source Law

25 Sec. 2. In this Act, "district" means the Harris
 26 County Municipal Utility District No. 386.

27 Revisor's Note

28 Section 2, Chapter 1381, Acts of the 77th
 29 Legislature, Regular Session, 2001, refers to the
 30 Harris County Municipal Utility District No. 386. The
 31 name of the district was changed to the
 32 Harris-Montgomery Counties Municipal Utility District
 33 No. 386 by a resolution of the board of directors of
 34 the district dated January 16, 2008, to reflect the
 35 district's annexation of land in Montgomery County on

1 July 26, 2007. The revised law is drafted accordingly.

2 Revised Law

3 Sec. 8272.002. NATURE OF DISTRICT. The district is a
4 conservation and reclamation district created under Section 59,
5 Article XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1381,
6 Secs. 1(a) (part), (b) (part).)

7 Source Law

8 Sec. 1. (a) A conservation and reclamation
9 district, to be known as the Harris County Municipal
10 Utility District No. 386, is created in Harris County,
11
12 (b) The district is created under and . . .
13 Section 59, Article XVI, Texas Constitution.

14 Revisor's Note

15 (1) Section 1(a), Chapter 1381, Acts of the 77th
16 Legislature, Regular Session, 2001, provides that the
17 district was created "in Harris County." The revised
18 law omits the quoted language because it was included
19 in the law being revised only as a convenience to the
20 reader and duplicates language in Section 3, Chapter
21 1381, Acts of the 77th Legislature, Regular Session,
22 2001, which is not necessary to revise in this chapter.
23 See Revisor's Note (1) to Section 8272.004. In
24 addition, the district was expanded to include
25 territory in Montgomery County in 2007. See the
26 revisor's note to Section 8272.001.

27 (2) Section 1(a), Chapter 1381, Acts of the 77th
28 Legislature, Regular Session, 2001, refers to a
29 confirmation election. Because the confirmation
30 election has already been held, the revised law omits
31 the provision as executed. The omitted law reads:

32 (a) . . . subject to approval at a
33 confirmation election under Section 10 of
34 this Act. . . .

35 (3) Section 1(a), Chapter 1381, Acts of the 77th
36 Legislature, Regular Session, 2001, provides that the
37 district is a governmental agency and a body politic
38 and corporate. The revised law omits the provision

1 because it duplicates a portion of Section 59(b),
2 Article XVI, Texas Constitution, which provides that a
3 conservation and reclamation district is a
4 governmental agency and a body politic and corporate.
5 The omitted law reads:

6 (a) . . . The district is a
7 governmental agency and a body politic and
8 corporate.

9 Revised Law

10 Sec. 8272.003. 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 77th Leg., R.S., Ch. 1381, Secs. 1(b) (part), 5.)

19 Source Law

20 [Sec. 1]

21 (b) [The district is created under and] is
22 essential to accomplish the purposes of Section 59,
23 Article XVI, Texas Constitution.

24 Sec. 5. All of the land and other property
25 included within the boundaries of the district will be
26 benefited by the works and projects that are to be
27 accomplished by the district under powers conferred by
28 Section 59, Article XVI, Texas Constitution. The
29 district is created to serve a public use and benefit.

30 Revised Law

31 Sec. 8272.004. DISTRICT TERRITORY. (a) The district is
32 composed of the territory described by Section 3, Chapter 1381,
33 Acts of the 77th Legislature, Regular Session, 2001, as that
34 territory may have been modified under:

- 35 (1) Subchapter H, Chapter 54, Water Code;
36 (2) Subchapter J, Chapter 49, Water Code; or
37 (3) other law.

38 (b) The boundaries and field notes of the district form a
39 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 validity of district bonds, notes, or other
5 indebtedness;

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 77th Leg., R.S., Ch. 1381, Sec. 4; New.)

9 Source Law

10 Sec. 4. The legislature finds that the
11 boundaries and field notes of the district form a
12 closure. A mistake in the field notes or in copying
13 the field notes in the legislative process does not
14 affect the organization, existence, or validity of the
15 district, the validity of its bonds, notes, or other
16 indebtedness, the right of the district to levy and
17 collect taxes, or the legality or operation of the
18 district or its governing body.

19 Revisor's Note

20 (1) The revision of the law governing the
21 district does not revise the statutory language
22 describing the territory of the district to avoid the
23 recitation of the description and because that
24 description may not be accurate on the effective date
25 of the revision or at the time of a later reading. For
26 the reader's convenience, the revised law includes
27 references to the statutory description of the
28 district's territory and to the authority to change the
29 district's territory under Subchapter H, Chapter 54,
30 Water Code, applicable to municipal utility districts,
31 and under Subchapter J, Chapter 49, Water Code,
32 applicable to the district under Sections 49.001 and
33 49.002 of that chapter. The revised law also includes
34 a reference to the general authority of the
35 legislature to enact a law to change the district's
36 territory.

37 (2) Section 4, Chapter 1381, Acts of the 77th
38 Legislature, Regular Session, 2001, refers to the

1 district's authority to "levy and collect" taxes. The
2 revised law substitutes "impose" for "levy and
3 collect" because "impose" is the term generally used
4 in Title 1, Tax Code, and includes the levy and
5 collection of a tax.

6 [Sections 8272.005-8272.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Revised Law

9 Sec. 8272.051. COMPOSITION OF BOARD; TERMS. (a) The
10 district is governed by a board of five directors.

11 (b) Directors serve staggered four-year terms. (Acts 77th
12 Leg., R.S., Ch. 1381, Secs. 8(a), (d).)

13 Source Law

14 Sec. 8. (a) The district is governed by a board
15 of five directors.

16 (d) Permanent directors serve staggered
17 four-year terms.

18 Revisor's Note

19 (1) Section 8(d), Chapter 1381, Acts of the 77th
20 Legislature, Regular Session, 2001, refers to
21 "[p]ermanent" directors. Sections 8, 9, and 10 of
22 Chapter 1381 refer to "temporary," "initial," and
23 "permanent" directors to distinguish between the
24 "temporary" directors appointed by the Texas Natural
25 Resource Conservation Commission, the directors who
26 immediately succeeded the "temporary" directors after
27 the first election of directors, and subsequently
28 serving directors. Because the revised law omits
29 provisions regarding "temporary" and "initial"
30 directors as executed (see the revisor's notes at the
31 end of this subchapter), the revised law also omits
32 "permanent" because it does not contribute to the
33 clear meaning of the law.

34 (2) Section 8(e), Chapter 1381, Acts of the 77th
35 Legislature, Regular Session, 2001, provides that each

1 director must qualify as provided by Section 49.055,
2 Water Code. The revised law omits Section 8(e) because
3 it duplicates Section 49.055, which provides for the
4 qualification of directors and applies to the district
5 under Section 6(a), Chapter 1381, Acts of the 77th
6 Legislature, Regular Session, 2001 (revised in this
7 chapter as Section 8272.101), and under Sections
8 49.001 and 49.002, Water Code. The omitted law reads:

9 (e) Each director must qualify to
10 serve as director in the manner provided by
11 Section 49.055, Water Code.

12 (3) Section 8(f), Chapter 1381, Acts of the 77th
13 Legislature, Regular Session, 2001, provides that a
14 director serves until a successor has qualified. The
15 revised law omits the provision because it duplicates
16 Section 17, Article XVI, Texas Constitution, which
17 provides that an officer in this state continues to
18 perform the officer's official duties until a
19 successor has qualified. The omitted law reads:

20 (f) A director serves until the
21 director's successor has qualified.

22 Revisor's Note
23 (End of Subchapter)

24 (1) Sections 8(b) and (c), Chapter 1381, Acts of
25 the 77th Legislature, Regular Session, 2001, refer to
26 "temporary" and "initial" directors of the district
27 and to elections under Sections 10 and 11 of that
28 chapter. The revised law omits Sections 8(b) and (c)
29 as executed because the terms of the temporary and
30 initial directors have expired and because the
31 elections have been held. The omitted law reads:

32 (b) Temporary directors serve until
33 initial directors are elected under Section
34 10 of this Act.

35 (c) Initial directors serve until
36 permanent directors are elected under
37 Section 11 of this Act.

38 (2) Section 9, Chapter 1381, Acts of the 77th
39 Legislature, Regular Session, 2001, provides for the

1 appointment of "temporary" directors and for certain
2 procedures relating to their service. Section 10 of
3 that chapter provides for the "temporary" board to
4 conduct an election for the district's initial elected
5 board and to confirm the district's creation. The
6 revised law omits those sections as executed. The
7 omitted law reads:

8 Sec. 9. (a) On or after the
9 effective date of this Act, a person who
10 owns land included in the district may
11 petition the Texas Natural Resource
12 Conservation Commission to appoint the five
13 temporary directors listed in the petition.
14 The commission shall appoint the directors
15 listed in the petition. If the commission
16 receives more than one petition under this
17 subsection, the commission shall appoint
18 the directors listed in the first petition
19 the commission receives.

20 (b) A person appointed to be a
21 temporary director shall take the oath of
22 office as soon as practicable.

23 (c) If an appointee of the commission
24 fails to qualify or if a vacancy occurs in
25 the office of temporary director, the Texas
26 Natural Resource Conservation Commission
27 shall appoint an individual to fill the
28 vacancy.

29 (d) As soon as all temporary
30 directors have qualified, the directors
31 shall meet and elect officers from among
32 their membership.

33 Sec. 10. (a) The temporary board of
34 directors shall call and hold an election to
35 confirm establishment of the district and
36 to elect five initial directors as provided
37 by Chapter 49, Water Code.

38 (b) Section 41.001(a), Election
39 Code, does not apply to a confirmation and
40 initial directors' election held as
41 provided by this section.

42 (3) Sections 11(a) and (b), Chapter 1381, Acts
43 of the 77th Legislature, Regular Session, 2001,
44 provide for the first directors' election following
45 the confirmation and initial directors' election. The
46 revised law omits the provisions as executed because
47 the first election has been held. The omitted law
48 reads:

49 Sec. 11. (a) On the first Saturday
50 in May of the first even-numbered year after
51 the year in which the district is authorized
52 to be created at a confirmation election, an
53 election shall be held in the district for

1 the election of two directors to serve
2 two-year terms and three directors to serve
3 four-year terms.

4 (b) The board of directors by order
5 may postpone the election date for two years
6 if:

7 (1) the election will occur
8 within 60 days after the date on which the
9 confirmation election is held; or

10 (2) the board determines that
11 there is not sufficient time to comply with
12 the requirements of law and to order the
13 election.

14 (4) Section 11(c), Chapter 1381, Acts of the
15 77th Legislature, Regular Session, 2001, requires
16 directors' elections to be held on the first Saturday
17 in May of each even-numbered year following the first
18 election. The revised law omits the reference to the
19 year in which the first directors' election was held as
20 executed. The revised law omits the remainder of the
21 provision because it duplicates, in substance, Section
22 49.103(b), Water Code. Chapter 49, Water Code,
23 applies to the district under Sections 49.001 and
24 49.002 of that chapter. Although Section 49.103
25 refers to the "uniform election date" in May and
26 Section 11(c) refers to the "first Saturday in May," it
27 is clear that the legislature meant the former because
28 "the first Saturday in May" was the uniform election
29 date in 2001. The omitted law reads:

30 (c) On the first Saturday in May of
31 each even-numbered year following the first
32 election held under this section, the
33 appropriate number of directors shall be
34 elected.

35 [Sections 8272.052-8272.100 reserved for expansion]

36 SUBCHAPTER C. POWERS AND DUTIES

37 Revised Law

38 Sec. 8272.101. MUNICIPAL UTILITY DISTRICT POWERS. The
39 district has the rights, powers, privileges, functions, and duties
40 provided by general law applicable to a municipal utility district
41 created under Section 59, Article XVI, Texas Constitution,
42 including Chapters 49, 50, and 54, Water Code. (Acts 77th Leg.,
43 R.S., Ch. 1381, Sec. 6(a) (part).)

1 reads:

2 (b) The rights, powers, privileges,
3 authority, functions, and duties of the
4 district are subject to the continuing
5 right of supervision of the state to be
6 exercised by and through the Texas Natural
7 Resource Conservation Commission.

8 Revised Law

9 Sec. 8272.102. COMPLIANCE WITH MUNICIPAL CONSENT
10 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section
11 54.016, Water Code, the district shall comply with all applicable
12 requirements of any ordinance or resolution adopted by the city
13 council of the City of Houston, including an ordinance or
14 resolution adopted before September 1, 2001, that consents to the
15 creation of the district or to the inclusion of lands in the
16 district. (Acts 77th Leg., R.S., Ch. 1381, Sec. 12.)

17 Source Law

18 Sec. 12. Subject to the limitations of Section
19 54.016, Water Code, the district shall comply with all
20 valid and applicable requirements of any ordinance or
21 resolution adopted by the city council of the City of
22 Houston, including an ordinance or resolution adopted
23 before the effective date of this Act, that consents to
24 the creation of the district or to the inclusion of
25 lands within the district.

26 Revisor's Note

27 (1) Section 12, Chapter 1381, Acts of the 77th
28 Legislature, Regular Session, 2001, requires district
29 compliance with "valid and applicable" requirements of
30 any ordinance or resolution of the City of Houston.
31 The revised law omits "valid" because it does not add
32 to the clear meaning of the law. A requirement is not a
33 requirement if it is not valid.

34 (2) Section 12, Chapter 1381, Acts of the 77th
35 Legislature, Regular Session, 2001, refers to "the
36 effective date of this Act." The revised law
37 substitutes "September 1, 2001," because that is the
38 date Chapter 1381 took effect.

39 Revised Law

40 Sec. 8272.103. RELOCATING OR ALTERING PROPERTY; COSTS. (a)

1 The district may relocate, raise, reroute, change the grade of, or
2 alter the construction of a highway, railroad, electric
3 transmission line, telecommunications or other public utility
4 facility, pipeline, canal, or drainage ditch if considered
5 necessary by the board of directors.

6 (b) The district shall pay for any relocation, raising,
7 rerouting, changing, or altering under this section, unless
8 otherwise agreed in writing by the interested parties.

9 (c) If a facility is replaced, the cost of replacement is
10 limited to an amount equal to the cost of replacing the facility
11 with a comparable facility, less the replaced facility's net
12 salvage value. (Acts 77th Leg., R.S., Ch. 1381, Sec. 7.)

13 Source Law

14 Sec. 7. The district may relocate, raise,
15 reroute, change the grade of, or alter the
16 construction of a highway, railroad, electric
17 transmission line, telecommunications or other public
18 utility facility, pipeline, canal, or drainage ditch
19 if considered necessary by the board of directors. The
20 district shall pay for any relocation, raising,
21 rerouting, changing, or altering under this section,
22 unless otherwise agreed in writing by the interested
23 parties. If a facility is replaced, the cost of
24 replacement is limited to an amount equal to the cost
25 of replacing the facility with a comparable facility,
26 less the replaced facility's net salvage value.

27 Revised Law

28 Sec. 8272.104. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
29 ASSESSMENTS. The district may not impose an impact fee or
30 assessment on the property, including the equipment,
31 rights-of-way, facilities, or improvements, of:

32 (1) an electric utility or a power generation company
33 as defined by Section 31.002, Utilities Code;

34 (2) a gas utility as defined by Section 101.003 or
35 121.001, Utilities Code; or

36 (3) a telecommunications provider as defined by
37 Section 51.002, Utilities Code. (Acts 77th Leg., R.S., Ch. 1381,
38 Sec. 6(c).)

39 Source Law

40 (c) The district may not impose an impact fee or
41 assessment on the property, equipment, rights of way,

1 facilities, or improvements of an electric utility or
2 a power generation company as defined by Section
3 31.002, Utilities Code, a gas utility as defined by
4 Section 101.003 or 121.001, Utilities Code, or a
5 telecommunications provider as defined by Section
6 51.002, Utilities Code.

7 Revisor's Note
8 (End of Chapter)

9 Section 13, Chapter 1381, Acts of the 77th
10 Legislature, Regular Session, 2001, recites
11 legislative findings regarding procedural
12 requirements for the creation of the district under
13 the constitution and other laws and rules, including
14 proper legal notice and the filing of recommendations.
15 The revised law omits those provisions as executed.
16 The omitted law reads:

17 Sec. 13. (a) The proper and legal
18 notice of the intention to introduce this
19 Act, setting forth the general substance of
20 this Act, has been published as provided by
21 law, and the notice and a copy of this Act
22 have been furnished to all persons,
23 agencies, officials, or entities to which
24 they are required to be furnished by the
25 constitution and other laws of this state,
26 including the governor, who has submitted
27 the notice and a copy of this Act to the
28 Texas Natural Resource Conservation
29 Commission.

30 (b) The Texas Natural Resource
31 Conservation Commission has filed its
32 recommendations relating to this Act with
33 the governor, lieutenant governor, and
34 speaker of the house of representatives
35 within the required time.

36 (c) All requirements of the
37 constitution and laws of this state and the
38 rules and procedures of the legislature
39 with respect to the notice, introduction,
40 and passage of this Act are fulfilled and
41 accomplished.

42 CHAPTER 8273. EL PASO COUNTY TORNILLO WATER IMPROVEMENT DISTRICT

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14 CHAPTER 8273. EL PASO COUNTY TORNILLO WATER IMPROVEMENT DISTRICT
15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 8273.001. DEFINITIONS. In this chapter:

18 (1) "Authority" means the El Paso County Tornillo
19 Water Improvement District.

20 (2) "Board" means the board of directors of the
21 authority.

22 (3) "Director" means a member of the board. (Acts 70th
23 Leg., R.S., Ch. 916, Secs. 1(a) (part), 2; New.)

24 Source Law

25 Sec. 1. (a) . . . [a . . . district] . . . to
26 be known as "El Paso County Tornillo Water Improvement
27 District,"

28 Sec. 2. In this Act, "authority" means the El
29 Paso County Tornillo Water Improvement District.

30 Revisor's Note

31 The definitions of "board" and "director" are
32 added to the revised law for drafting convenience and
33 to eliminate frequent, unnecessary repetition of the
34 substance of the definitions.

35 Revised Law

36 Sec. 8273.002. NATURE OF AUTHORITY. The authority is a

1 conservation and reclamation district in El Paso County created
2 under Section 59, Article XVI, Texas Constitution. (Acts 70th
3 Leg., R.S., Ch. 916, Sec. 1(a) (part).)

4 Source Law

5 Sec. 1. (a) Pursuant to Article XVI, Section
6 59, of the Texas Constitution, a conservation and
7 reclamation district is created in El Paso County,
8 . . . which shall be a governmental agency and a body
9 politic and corporate.

10 Revisor's Note

11 Section 1(a), Chapter 916, Acts of the 70th
12 Legislature, Regular Session, 1987, refers to the
13 authority as "a governmental agency and a body politic
14 and corporate." The revised law omits the quoted
15 language because it duplicates part of Section 59(b),
16 Article XVI, Texas Constitution, which provides that a
17 conservation and reclamation district is a
18 governmental agency and a body politic and corporate.

19 Revised Law

20 Sec. 8273.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
21 The authority is created to serve a public use and benefit.

22 (b) All land and other property included in the boundaries
23 of the authority will benefit from the works and projects
24 accomplished by the authority under the powers conferred by Section
25 59, Article XVI, Texas Constitution.

26 (c) The creation of the authority is essential to accomplish
27 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
28 70th Leg., R.S., Ch. 916, Secs. 1(b), 5.)

29 Source Law

30 [Sec. 1]

31 (b) The creation of the authority is declared to
32 be essential to the accomplishment of the purposes of
33 Article XVI, Section 59, of the Texas Constitution.

34 Sec. 5. The legislature finds that all of the
35 land and other property included within the boundaries
36 of the authority will be benefitted by the works and
37 projects that are to be accomplished by the authority
38 under powers conferred by Article XVI, Section 59, of
39 the Texas Constitution, and that the authority is
40 created to serve a public use and benefit.

1 Revised Law

2 Sec. 8273.004. AUTHORITY TERRITORY. (a) The authority is
3 composed of the territory described by Section 3, Chapter 916, Acts
4 of the 70th Legislature, Regular Session, 1987, as that territory
5 may have been 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 authority 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 authority's organization, existence, or
13 validity;
14 (2) the authority's right to impose a tax; or
15 (3) the legality or operation of the authority or its
16 governing body. (Acts 70th Leg., R.S., Ch. 916, Sec. 4; New.)

17 Source Law

18 Sec. 4. The legislature finds that the
19 boundaries and field notes of the authority form a
20 closure. If any mistake is made in the field notes or
21 in copying the field notes in the legislative process,
22 it in no way affects the organization, existence, and
23 validity of the authority, or the right of the
24 authority to levy and collect taxes, or in any other
25 manner affects the legality or operation of the
26 authority or its governing body.

27 Revisor's Note

28 (1) The revision of the law governing the
29 authority does not revise the statutory language
30 describing the territory of the authority to avoid the
31 lengthy recitation of the description. Additionally,
32 because the authority's boundaries are subject to
33 change, that description may not be accurate on the
34 effective date of the revision or at the time of a
35 later reading. For the reader's convenience, the
36 revised law includes references to the statutory
37 description of the authority's territory and to the
38 authority to change the authority's territory under

1 Subchapter H, Chapter 54, Water Code, applicable to
2 municipal utility districts, and Subchapter J, Chapter
3 49, Water Code, applicable to the authority under
4 Sections 49.001 and 49.002 of that chapter. The
5 revised law also includes a reference to the general
6 authority of the legislature to enact a law to change
7 the authority's territory.

8 (2) Section 4, Chapter 916, Acts of the 70th
9 Legislature, Regular Session, 1987, refers to the
10 authority to "levy and collect" taxes. The revised law
11 substitutes "impose" for "levy and collect" because
12 "impose" is the term generally used in Title 1, Tax
13 Code, and includes the levy and collection of a tax.

14 [Sections 8273.005-8273.050 reserved for expansion]

15 SUBCHAPTER B. BOARD OF DIRECTORS

16 Revised Law

17 Sec. 8273.051. COMPOSITION OF BOARD; TERMS. (a) The
18 authority is governed by a board of seven directors elected to
19 numbered places.

20 (b) Directors serve staggered terms. (Acts 70th Leg., R.S.,
21 Ch. 916, Secs. 7(a), (b) (part), 9(b).)

22 Source Law

23 Sec. 7. (a) The authority is governed by a
24 board of seven directors.

25 (b) Except for the initial directors, each
26 director shall be elected and

27 [Sec. 9]

28 (b) The directors for Places 1-4 shall be
29 elected in odd-numbered years and the directors for
30 places 5-7 shall be elected in even-numbered years.

31 Revisor's Note

32 (1) Section 7(b), Chapter 916, Acts of the 70th
33 Legislature, Regular Session, 1987, provides for the
34 election and terms of directors "[e]xcept for the
35 initial directors." The revised law omits the quoted
36 language because all of the permanent directors have
37 been elected and initial directors no longer serve on

1 the board.

2 (2) Sections 7(b) and 9(a), Chapter 916, Acts of
3 the 70th Legislature, Regular Session, 1987, provide
4 that directors serve terms of two years, with certain
5 directors being elected on the third Saturday in May
6 each year. The revised law omits the provisions
7 regarding two-year terms and annual elections as
8 superseded by the 1995 enactment of Section 49.103,
9 Water Code. Section 49.103 now provides for a
10 four-year term of office, with elections held on the
11 uniform election date in May of even-numbered years.
12 Throughout this chapter, the revised law omits law
13 that is superseded by Chapter 49, Water Code, or that
14 duplicates law contained in that chapter. Chapter 49,
15 Water Code, applies to the authority under Sections
16 49.001 and 49.002 of that code. The omitted law reads:

17 [Sec. 7]

18 (b) . . . [each director] . . . shall
19 serve for a two-year term of office.

20 Sec. 9. (a) Beginning in the first
21 year following the confirmation and
22 directors' election, an election shall be
23 held on the third Saturday in May every year
24 to elect the appropriate number of
25 directors to the board.

26 (3) Section 7(c), Chapter 916, Acts of the 70th
27 Legislature, Regular Session, 1987, provides that each
28 director shall qualify to serve as director in the
29 manner provided by Chapter 54, Water Code. The revised
30 law omits that provision as obsolete because Chapter
31 715, Acts of the 74th Legislature, Regular Session,
32 1995, repealed the relevant provisions of Chapter 54,
33 Water Code, and enacted similar provisions in Chapter
34 49, Water Code, including Section 49.055, Water Code,
35 which applies on its own terms and prescribes the
36 manner in which a director must qualify for office.
37 The omitted law reads:

38 (c) Each director shall qualify to

1 serve as director in the manner provided by
2 Chapter 54, Water Code.

3 (4) Sections 7(d)-(f), Chapter 916, Acts of the
4 70th Legislature, Regular Session, 1987, refer to the
5 initial board of directors and to vacancy procedures.
6 The revised law omits as executed the language
7 relating to the composition of the initial board and
8 the duty of the initial directors to serve until
9 permanent directors are elected. The revised law
10 omits as executed the language relating to vacancy
11 procedures, to the extent the language applies to the
12 initial board. To the extent the vacancy language
13 applies to subsequent boards, the revised law omits
14 that language as duplicative in substance of Section
15 49.105(c), Water Code. The omitted law reads:

16 (d) At the time this Act takes
17 effect, the following persons shall
18 constitute the initial board of directors
19 of the authority:

- 20 (1) Place 1 Rafael Chavez;
- 21 (2) Place 2 Charles Ivy;
- 22 (3) Place 3 David Burrus;
- 23 (4) Place 4 Chente Quintanilla;
- 24 (5) Place 5 Ofelia Bosquez;
- 25 (6) Place 6 John Conner; and
- 26 (7) Place 7 Clemente Escalante.

27 (e) If any of the directors listed in
28 Subsection (d) of this section fails to
29 qualify for office, the remaining directors
30 shall appoint a qualified person to fill the
31 vacancy for the unexpired term. If at any
32 time the number of qualified directors is
33 less than four because of the failure or
34 refusal of one or more directors to qualify
35 or serve because of death or incapacitation
36 or for any other reason, the Texas Water
37 Commission shall appoint the necessary
38 number of directors to fill all vacancies on
39 the board.

40 (f) The initial directors shall serve
41 until permanent directors are elected as
42 provided by Section 9 of this Act and
43 Chapter 54, Water Code.

44 Revised Law

45 Sec. 8273.052. DIRECTOR'S BOND. Each director shall
46 execute a bond for \$5,000 payable to the authority and conditioned
47 on the faithful performance of the director's duties. (Acts 70th
48 Leg., R.S., Ch. 916, Sec. 7(g) (part).)

1 Source Law

2 (g) Each director shall execute a bond for
3 \$5,000 payable to the authority and conditioned on the
4 faithful performance of his duties. . . .

5 Revisor's Note

6 Section 7(g), Chapter 916, Acts of the 70th
7 Legislature, Regular Session, 1987, provides that the
8 authority shall pay the cost of a director's bond. The
9 revised law omits that provision because it
10 duplicates, in substance, Section 49.055(c), Water
11 Code. The omitted law reads:

12 (g) . . . The authority shall pay the
13 cost of the bond.

14 Revised Law

15 Sec. 8273.053. OFFICIAL BOARD ACTIONS. The affirmative
16 vote of a majority of the directors is required for any official
17 board action. (Acts 70th Leg., R.S., Ch. 916, Sec. 7(h) (part).)

18 Source Law

19 (h) . . . no official action of the board is
20 valid without the affirmative vote of a majority of the
21 members of the board.

22 Revisor's Note

23 Section 7(h), Chapter 916, Acts of the 70th
24 Legislature, Regular Session, 1987, provides that a
25 majority of the directors on the board constitutes a
26 quorum. The revised law omits that provision because
27 it duplicates Section 49.053, Water Code. The omitted
28 law reads:

29 (h) A majority of the members of the
30 board of directors constitute a quorum for
31 the transaction of business of the
32 district, but

33 Revised Law

34 Sec. 8273.054. COMPENSATION. Unless the board by
35 resolution increases the fee to an amount authorized by Section
36 49.060, Water Code, the authority may provide that each director is
37 entitled to receive \$20 for each day of service necessary to
38 discharge the director's duties. (Acts 70th Leg., R.S., Ch. 916,

1 Sec. 7(j) (part); New.)

2 Source Law

3 (j) The authority may provide that each director
4 is entitled to receive \$20 for each day of service
5 necessary to discharge his duties. . . .

6 Revisor's Note

7 (1) Section 7(j), Chapter 916, Acts of the 70th
8 Legislature, Regular Session, 1987, provides that the
9 authority may authorize for each director a payment of
10 \$20 for each day of service necessary to discharge the
11 director's duties. Section 49.060, Water Code,
12 enacted in 1995 and applicable by its own terms to the
13 authority, authorizes higher fees. Section 49.060(e),
14 however, provides that if the amount of the fee set by
15 Section 49.060 would result in a fee increase, the
16 increase does not apply to a district unless the
17 district's board by resolution adopts a higher fee.
18 The revised law is drafted accordingly.

19 (2) Section 7(j), Chapter 916, Acts of the 70th
20 Legislature, Regular Session, 1987, provides that a
21 director may be reimbursed for expenses incurred on
22 authority business. The revised law omits the
23 provision because it is expressly superseded by
24 Section 49.060, Water Code (enacted in 1995). The
25 omitted law reads:

26 (j) . . . Each director may also be
27 reimbursed for actual expenses incurred on
28 authority business.

29 Revised Law

30 Sec. 8273.055. CHANGING METHOD OF ELECTING DIRECTORS. If
31 the board determines that it is in the best interest of the
32 residents of the authority to change the method by which directors
33 are elected, the board may adopt any plan of redistricting,
34 including a plan based on equal geographical areas. (Acts 70th
35 Leg., R.S., Ch. 916, Sec. 7(i).)

1 Source Law

2 (i) If the board of directors determines that it
3 would be in the best interest of the residents of the
4 authority to change the method by which directors are
5 elected, the board may adopt any plan of
6 redistricting, including a plan based on equal
7 geographical areas.

8 [Sections 8273.056-8273.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Revised Law

11 Sec. 8273.101. GENERAL POWERS. The authority may perform
12 any act consistent with the powers granted by this chapter. (Acts
13 70th Leg., R.S., Ch. 916, Sec. 10(d) (part).)

14 Source Law

15 (d) The authority may . . . perform any other
16 act consistent with the powers granted by this Act.

17 Revised Law

18 Sec. 8273.102. MUNICIPAL UTILITY DISTRICT POWERS. The
19 authority has the rights, powers, privileges, and functions
20 conferred by the general law applicable to a municipal utility
21 district created under Section 59, Article XVI, Texas Constitution,
22 including Chapters 49, 50, and 54, Water Code. (Acts 70th Leg.,
23 R.S., Ch. 916, Sec. 6(a) (part); New.)

24 Source Law

25 Sec. 6. (a) The authority has all of the
26 rights, powers, privileges, authority, and functions
27 conferred by the general laws of this state applicable
28 to municipal utility districts created under Article
29 XVI, Section 59, of the Texas Constitution, including
30 those conferred by Chapters 50 and 54, Water Code.
31 . . .

32 Revisor's Note

33 (1) Section 6(a), Chapter 916, Acts of the 70th
34 Legislature, Regular Session, 1987, refers to "rights,
35 powers, privileges, [and] authority." The revised law
36 omits the reference to "authority" because, in
37 context, "authority" is included in the meaning of
38 "rights, powers, [and] privileges."

39 (2) Section 6(a), Chapter 916, Acts of the 70th
40 Legislature, Regular Session, 1987, refers to Chapters

1 50 and 54, Water Code. For the reader's convenience,
2 the revised law adds a reference to Chapter 49, Water
3 Code, because Chapter 715, Acts of the 74th
4 Legislature, Regular Session, 1995, repealed most of
5 the provisions of Chapter 50 and many provisions of
6 Chapter 54 and enacted similar provisions in Chapter
7 49, Water Code, which applies to the authority under
8 Sections 49.001 and 49.002 of that chapter.

9 (3) Section 6(a), Chapter 916, Acts of the 70th
10 Legislature, Regular Session, 1987, provides that the
11 act prevails over general law in case of a conflict or
12 inconsistency. The revised law omits that provision
13 because it duplicates Section 311.026(b), Government
14 Code (Code Construction Act). The omitted law reads:

15 (a) . . . If any provision of general
16 law is in conflict or inconsistent with this
17 Act, this Act prevails.

18 (4) Section 6(b), Chapter 916, Acts of the 70th
19 Legislature, Regular Session, 1987, refers to the
20 continuing right of supervision to be exercised by the
21 Texas Water Commission. The revised law omits the
22 provision because the Texas Commission on
23 Environmental Quality is the successor to the Texas
24 Water Commission, and therefore the provision
25 duplicates, in substance, part of Section 12.081,
26 Water Code, which applies to the authority. The
27 omitted law reads:

28 (b) The rights, powers, privileges,
29 authority, and functions granted to the
30 authority are subject to the continuing
31 right of supervision of the State of Texas
32 to be exercised by and through the Texas
33 Water Commission.

34 Revised Law

35 Sec. 8273.103. PERMITS; WATER SUPPLY ACQUISITION. The
36 authority may:

37 (1) acquire water appropriation permits, construction
38 permits, and other permits directly from the Texas Commission on

1 Environmental Quality or from owners of permits;

2 (2) acquire water or a water supply from any person,
3 including a public agency, this state, or the United States;

4 (3) contract with one or more substantial users of
5 water to acquire the water supply on an agreed allocation of storage
6 space between the authority and the user; or

7 (4) contract independently for the authority's water
8 supply. (Acts 70th Leg., R.S., Ch. 916, Sec. 10(a) (part).)

9 Source Law

10 Sec. 10. (a) The authority may:

11 (1) acquire water appropriation permits,
12 construction permits, and other permits directly from
13 the Texas Water Commission or from owners of permits;

14 (2) acquire water or a water supply from
15 any person, firm, corporation, or public agency, from
16 this state, or from the United States government or any
17 of its agencies;

18 (3) contract with one or more substantial
19 users of water to acquire the water supply on an agreed
20 allocation of storage space as between the authority
21 and the user, or may contract independently for the
22 authority's water supply; and
23 . . .

24 Revisor's Note

25 (1) Section 10(a), Chapter 916, Acts of the 70th
26 Legislature, Regular Session, 1987, refers to the
27 "Texas Water Commission." Throughout this chapter,
28 the revised law substitutes "Texas Commission on
29 Environmental Quality" for "Texas Water Commission" to
30 reflect the current name of the agency with the
31 relevant regulatory authority.

32 (2) Section 10(a), Chapter 916, Acts of the 70th
33 Legislature, Regular Session, 1987, refers to a
34 "person, firm, corporation, or public agency." The
35 revised law omits the references to "firm" and
36 "corporation" because Section 311.005(2), Government
37 Code (Code Construction Act), defines "person" to
38 include a corporation or any other legal entity.

39 (3) Section 10(a), Chapter 916, Acts of the 70th
40 Legislature, Regular Session, 1987, refers to "the
41 United States government" and "any of its agencies."

1 The revised law omits the reference to "agencies" of
2 the United States because under Section 311.005(9),
3 Government Code (Code Construction Act), "United
4 States" includes an agency of the United States.

5 Revised Law

6 Sec. 8273.104. DOMESTIC, INDUSTRIAL, OR COMMUNAL WASTE.
7 The authority may collect, transport, process, dispose of, and
8 control all domestic, industrial, or communal waste, whether in
9 fluid, solid, or composite state. (Acts 70th Leg., R.S., Ch. 916,
10 Sec. 10(a) (part).)

11 Source Law

12 (a) The authority may:
13
14 (4) collect, transport, process, dispose
15 of, and control all domestic, industrial, or communal
16 waste, whether in fluid, solid, or composite state.

17 Revised Law

18 Sec. 8273.105. WATER CONSERVATION PROGRAM. (a) In this
19 section, "program of water conservation" means the practices,
20 techniques, and technologies that will reduce water consumption,
21 reduce water loss or waste, improve efficiency in water use, or
22 increase water recycling and reuse so that a water supply is
23 available for future uses.

24 (b) The authority shall adopt and implement a program of
25 water conservation consistent with rules and criteria adopted and
26 enforced by the Texas Commission on Environmental Quality for
27 similarly situated districts in the region. (Acts 70th Leg., R.S.,
28 Ch. 916, Sec. 10(b).)

29 Source Law

30 (b) The authority shall adopt and implement a
31 program of water conservation consistent with rules
32 and criteria adopted and enforced by the Texas Water
33 Commission for similarly situated districts in the
34 region. A program of water conservation means the
35 practices, techniques, and technologies that will
36 reduce the consumption of water, reduce the loss or
37 waste of water, improve efficiency in the use of water,
38 or increase the recycling and reuse of water so that a
39 water supply is made available for future uses.

40 Revised Law

41 Sec. 8273.106. ADDITIONAL POWERS. The authority may

1 purchase, construct, acquire, own, lease, operate, maintain,
2 repair, improve, and extend, inside or outside the authority's
3 boundaries, land or an interest in land, any work, improvement,
4 facility, plant, equipment, or appliance incident, helpful, or
5 necessary to provide for:

6 (1) the control, storage, preservation, transmission,
7 treatment, and distribution and use of storm water, floodwater, the
8 water of rivers and streams, and groundwater for municipal,
9 domestic, industrial, and other beneficial uses; and

10 (2) the collection, transportation, processing,
11 disposition, and control of domestic, industrial, or commercial
12 waste. (Acts 70th Leg., R.S., Ch. 916, Sec. 10(c).)

13 Source Law

14 (c) The authority may purchase, construct,
15 acquire, own, lease, operate, maintain, repair,
16 improve, and extend inside and outside its boundaries,
17 land and any interest in land, any and all works,
18 improvements, facilities, plants, equipment, and
19 appliances incident, helpful, or necessary to provide
20 for:

21 (1) the control, storage, preservation,
22 transmission, treatment, and distribution and use of
23 storm water and floodwater, the water of rivers and
24 streams, and underground water, for municipal,
25 domestic, industrial, and other beneficial uses; and

26 (2) the collection, transportation,
27 processing, disposition, and control of domestic,
28 industrial, or commercial waste.

29 Revisor's Note

30 Section 10(c), Chapter 916, Acts of the 70th
31 Legislature, Regular Session, 1987, refers to
32 "underground water." The revised law substitutes
33 "groundwater" for "underground water" because that is
34 the more commonly used term and is the term used by
35 Chapter 36, Water Code, which applies to groundwater
36 conservation districts.

37 Revised Law

38 Sec. 8273.107. CONSTRUCTION CONTRACTS. (a) The authority
39 may award a construction contract that requires an expenditure of
40 more than \$12,500 only after publication of notice to bidders once
41 each week for two consecutive weeks immediately before awarding the

1 contract.

2 (b) The notice must be published in a newspaper with general
3 circulation in the authority, as designated by the board.

4 (c) The notice must state:

5 (1) the time and place for opening the bids;

6 (2) the general nature of the work to be done or the
7 material, equipment, or supplies to be purchased; and

8 (3) the terms on which copies of the plans and
9 specifications may be obtained.

10 (d) The authority is not required to advertise work to be
11 performed in an emergency. (Acts 70th Leg., R.S., Ch. 916, Sec. 11.)

12 Source Law

13 Sec. 11. Any construction contract requiring an
14 expenditure of more than \$12,500 shall be made after
15 publication of a notice to bidders once each week for
16 two consecutive weeks immediately before awarding the
17 contract. The notice shall state the time and place
18 the bids will be opened, the general nature of the work
19 to be done, or the material, equipment, or supplies to
20 be purchased, and the terms on which copies of the
21 plans and specifications may be obtained. The notice
22 shall be published in a newspaper with general
23 circulation in the authority and designated by the
24 board of directors. The authority is not required to
25 advertise work to be performed in an emergency
26 situation.

27 Revisor's Note
28 (End of Subchapter)

29 Section 10(d), Chapter 916, Acts of the 70th
30 Legislature, Regular Session, 1987, provides that the
31 authority may contract with any person. The revised
32 law omits that provision because it duplicates, in
33 substance, Section 49.213(b), Water Code. The omitted
34 law reads:

35 (d) [The authority may] enter into
36 any contract with any person, firm,
37 corporation, city, district, public agency,
38 or other political subdivision and

39 Revisor's Note
40 (End of Chapter)

41 (1) Sections 1(a) and 8, Chapter 916, Acts of
42 the 70th Legislature, Regular Session, 1987, require
43 an election to confirm establishment of the authority

1 and to elect initial permanent directors. The revised
2 law omits those provisions as executed. The omitted
3 law reads:

4 Sec. 1. (a) . . . [a . . . district
5 is created] . . . subject to approval at a
6 confirmation election under Section 8 of
7 this Act,

8 Sec. 8. An election shall be called
9 and held to confirm establishment of the
10 authority and to elect seven permanent
11 directors as provided by Chapter 54, Water
12 Code, and Section 9 of this Act.

13 (2) Section 12, Chapter 916, Acts of the 70th
14 Legislature, Regular Session, 1987, states that the
15 notice, introduction, and passage of the act satisfied
16 the requirements of the Texas Constitution, other laws
17 of this state, and rules and procedures of the
18 legislature. Section 12 also provides that the Texas
19 Water Commission timely filed recommendations
20 relating to the act. The revised law omits those
21 provisions as executed. The omitted law reads:

22 Sec. 12. The legislature finds that
23 proper and legal notice of the intention to
24 introduce this Act, setting forth the
25 general substance of this Act, has been
26 published as provided by law, and the notice
27 and a copy of this Act have been furnished
28 to all persons, agencies, officials, or
29 entities to which they are required to be
30 furnished by the constitution and laws of
31 this state, including the governor of
32 Texas, who has submitted the notice and Act
33 to the Texas Water Commission. Also, the
34 legislature finds that the Texas Water
35 Commission has filed its recommendations
36 relating to this Act with the governor,
37 lieutenant governor, and speaker of the
38 house of representatives, within the
39 required time. All requirements of the
40 constitution and laws of this state and the
41 rules and procedures of the legislature
42 with respect to the notice, introduction,
43 and passage of this Act have been fulfilled
44 and accomplished.

45 CHAPTER 8274. HARRIS COUNTY UTILITY DISTRICT NO. 6
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6 CHAPTER 8274. HARRIS COUNTY UTILITY DISTRICT NO. 6

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 8274.001. 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 Harris County Utility
14 District No. 6. (Acts 61st Leg., R.S., Ch. 391, Sec. 1 (part);
15 New.)

16 Source Law

17 Sec. 1. . . . [a . . . district . . .] to be
18 known as "Harris County Utility District No. 6",
19 hereinafter called the "district,"

20 Revisor's Note

21 The definitions of "board" and "director" are
22 added to the revised law for drafting convenience and
23 to eliminate frequent, unnecessary repetition of the
24 substance of the definitions.

25 Revised Law

26 Sec. 8274.002. NATURE OF DISTRICT. The district is a
27 municipal utility district and a conservation and reclamation
28 district in Harris County created under Section 59, Article XVI,
29 Texas Constitution. (Acts 61st Leg., R.S., Ch. 391, Sec. 1 (part);
30 New.)

31 Source Law

32 Sec. 1. Under and pursuant to the provisions of
33 Article XVI, Section 59, Constitution of Texas, a
34 conservation and reclamation district is hereby
35 created and established in Harris County, Texas, . . .
36 which shall be a governmental agency and a body politic
37 and corporate. . . .

1 Revisor's Note

2 (1) Section 1, Chapter 391, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 district is "created and established" in Harris
5 County, Texas. The revised law omits "established"
6 because the meaning of that word is included in the
7 meaning of "created."

8 (2) Section 1, Chapter 391, Acts of the 61st
9 Legislature, Regular Session, 1969, refers to the
10 district as "a governmental agency and a body politic
11 and corporate." The revised law omits those
12 references because they duplicate a portion of Section
13 59(b), Article XVI, Texas Constitution, which provides
14 that a conservation and reclamation district is a
15 governmental agency and a body politic and corporate.

16 (3) The revised law adds a reference to the
17 district as a "municipal utility district" because the
18 district was converted from a water control and
19 improvement district to a municipal utility district
20 on March 19, 1980, by order of the Texas Water
21 Commission. See Sections 54.030-54.036, Water Code.
22 Under both that order and Section 54.034, Water Code,
23 the district now operates under Chapter 54, Water
24 Code. Throughout this chapter, references to water
25 control and improvement districts and references to
26 Chapter 51, Water Code (the chapter on water control
27 and improvement districts), have been revised to
28 reflect the district's conversion. In addition, as
29 indicated throughout this chapter, the revised law
30 omits law that is superseded by Chapter 54, Water Code,
31 or that duplicates law contained in that chapter.

32 Revised Law

33 Sec. 8274.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
34 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 Texas Constitution. (Acts 61st
12 Leg., R.S., Ch. 391, Secs. 1 (part), 4, 24 (part).)

13 Source Law

14 Sec. 1. . . . The creation and establishment of
15 the district is hereby declared to be essential to the
16 accomplishment of the purposes of Article XVI, Section
17 59, Constitution of Texas.

18 Sec. 4. It is determined and found that all of
19 the land and other property included within the area
20 and boundaries of the district will be benefited by the
21 works and project which are to be accomplished by the
22 district pursuant to the powers conferred by the
23 provisions of Article XVI, Section 59, Constitution of
24 Texas, and that said district was and is created to
25 serve a public use and benefit.

26 Sec. 24. The accomplishment of the purposes
27 stated in this Act being for the benefit of the people
28 of this state and for the improvement of their
29 properties and industries, the district in carrying
30 out the purposes of this Act will be performing an
31 essential public function under the Constitution, and
32

33 Revisor's Note

34 (1) Section 1, Chapter 391, Acts of the 61st
35 Legislature, Regular Session, 1969, states that the
36 "creation and establishment" of the district is
37 essential to accomplish the purposes of Section 59,
38 Article XVI, Texas Constitution. The revised law
39 omits "establishment" because its meaning is included
40 in the meaning of "creation."

41 (2) Section 4, Chapter 391, Acts of the 61st
42 Legislature, Regular Session, 1969, refers to land and

1 other property included within the "area and
2 boundaries of the district." The revised law omits the
3 reference to "area" because, in context, "area" is
4 included in the meaning of "boundaries."

5 Revised Law

6 Sec. 8274.004. DISTRICT TERRITORY. (a) The district is
7 composed of the territory described by Section 2, Chapter 391, Acts
8 of the 61st Legislature, Regular Session, 1969, as that territory
9 may have been modified under:

- 10 (1) Subchapter H, Chapter 54, Water Code;
11 (2) Subchapter J, Chapter 49, Water Code;
12 (3) Section 9, Chapter 391, Acts of the 61st
13 Legislature, Regular Session, 1969; or
14 (4) other law.

15 (b) The boundaries and field notes of the district form a
16 closure. A mistake in copying the field notes in the legislative
17 process or another mistake in the field notes does not affect:

- 18 (1) the district's organization, existence, or
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 the
25 board. (Acts 61st Leg., R.S., Ch. 391, Sec. 3; New.)

26 Source Law

27 Sec. 3. It is determined and found that the
28 boundaries and field notes of the district form a
29 closure; and if any mistake is made in copying the
30 field notes in the legislative process, or otherwise a
31 mistake is made in the field notes, it shall in no way
32 affect the organization, existence, and validity of
33 the district, or the right of the district to issue any
34 type of bonds or refunding bonds for the purposes for
35 which the district is created, or to pay the principal
36 and interest thereon, or the right to assess, levy, and
37 collect taxes, or in any other manner affect the
38 legality or operation of the district or its governing
39 body.

1 Revisor's Note

2 (1) The revision of the law governing the
3 district does not revise the statutory language
4 describing the territory of the district to avoid the
5 lengthy recitation of the description and because that
6 description may not be accurate on the effective date
7 of the revision or at the time of a later reading. For
8 the reader's convenience, the revised law adds a
9 reference to the statutory description of the
10 district's territory and references to authority to
11 change the district's territory, including: (1)
12 Subchapter H, Chapter 54, Water Code, applicable to
13 the district after the district was converted to a
14 municipal utility district governed by Chapter 54 of
15 that code (see Sections 54.030-54.036 of that code and
16 Revisor's Note (3) to Section 8274.002); (2)
17 Subchapter J, Chapter 49, Water Code, applicable to
18 the district under Sections 49.001 and 49.002 of that
19 chapter; and (3) Section 9, Chapter 391, Acts of the
20 61st Legislature, Regular Session, 1969. The revised
21 law also includes a reference to the general authority
22 of the legislature to enact other laws to change the
23 district's territory.

24 (2) Section 3, Chapter 391, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that a
26 mistake does not affect the right of the district to
27 issue "any type of bonds or refunding bonds." The
28 revised law omits the reference to "refunding bonds"
29 because refunding bonds are included in the meaning of
30 "any type of bonds."

31 (3) Section 3, Chapter 391, Acts of the 61st
32 Legislature, Regular Session, 1969, refers to the
33 district's right to "assess, levy, and collect" a tax.
34 Throughout this chapter, the revised law substitutes

1 "impose" for "assess," "levy," and "collect" because
2 "impose" is the term generally used in Title 1, Tax
3 Code, and includes the assessment, levying, and
4 collection of a tax.

5 Revised Law

6 Sec. 8274.005. EXPANSION OF DISTRICT. (a) If land is
7 annexed to the district under Section 49.301, Water Code, the board
8 may require the petitioners to:

9 (1) allow the assumption by the area to be annexed of
10 its pro rata share of the taxes necessary to support voted but
11 unissued tax or tax-revenue bonds of the district; and

12 (2) 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 to the district under Section 49.302,
16 Water Code, the board may submit to the voters of the area to be
17 annexed a proposition on the question of the assumption by the area
18 to be annexed of its pro rata share 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 in the area to be annexed
21 along with a tax in the rest of the district for the payment of the
22 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. (Acts 61st
27 Leg., R.S., Ch. 391, Sec. 9.)

28 Source Law

29 Sec. 9. Land may be added to or annexed to the
30 district in the manner now provided by Chapter 3A,
31 Title 128, Vernon's Texas Civil Statutes, as amended;
32 provided, however, that the board of directors may
33 require the petitioners, if land is being added in the
34 manner provided by Article 7880--75, Vernon's Texas
35 Civil Statutes, to allow the land to be added to assume
36 its pro rata share of taxes necessary to support the
37 voted but unissued tax or tax-revenue bonds of the
38 district and authorize the board to levy a tax on their
39 property in payment for such unissued bonds, when
40 issued, or if land is being annexed in the manner

1 provided by Article 7880--75b, Vernon's Texas Civil
2 Statutes, the board may also submit a proposition to
3 the property taxpaying voters of the area to be annexed
4 on the question of the assumption by the area to be
5 annexed of its pro rata share of the tax or tax-revenue
6 bonds of the district theretofore voted but not yet
7 issued or sold and the levy of an ad valorem tax on
8 taxable property within the area to be annexed along
9 with the tax in the rest of the district for the
10 payment thereof. If the petitioners consent or if the
11 election results favorably, the district shall be
12 authorized to issue its voted but unissued tax or
13 tax-revenue bonds even though the boundaries of the
14 district have been changed since the voting or
15 authorization of such bonds.

16 Revisor's Note

17 (1) Section 9, Chapter 391, Acts of the 61st
18 Legislature, Regular Session, 1969, provides that the
19 district may add or annex land in the manner provided
20 by Chapter 3A, Title 128, Vernon's Texas Civil
21 Statutes. The revised law omits that provision as
22 unnecessary. The relevant provisions of that statute
23 were codified by Chapter 58, Acts of the 62nd
24 Legislature, Regular Session, 1971, as Subchapter O,
25 Chapter 51, Water Code. After the district converted
26 to a municipal utility district in 1980, that
27 subchapter no longer applied to the district and
28 Subchapter H, Chapter 54, Water Code, applied instead,
29 as described by Revisor's Note (3) to Section 8274.002.
30 Chapter 715, Acts of the 74th Legislature, Regular
31 Session, 1995, repealed some of the relevant
32 provisions of Subchapter H, Chapter 54, Water Code,
33 and enacted Subchapter J, Chapter 49, Water Code, to
34 govern the addition of land to a municipal utility
35 district and certain other districts. Subchapter J,
36 Chapter 49, Water Code, applies to the district
37 without an express reference to Subchapter J by this
38 chapter. The remaining relevant provisions of
39 Subchapter H, Chapter 54, Water Code, apply to the
40 district under Section 54.034, Water Code, without an
41 express reference to those sections by this chapter.

42 (2) Section 9, Chapter 391, Acts of the 61st

1 Legislature, Regular Session, 1969, refers to Article
2 7880--75, Vernon's Texas Civil Statutes. Article
3 7880--75 was codified by Chapter 58, Acts of the 62nd
4 Legislature, Regular Session, 1971, as Sections
5 51.714-51.717, Water Code, relating to the addition of
6 land to a water control and improvement district by the
7 petition of the landowner. After the district
8 converted to a municipal utility district in 1980,
9 those sections no longer applied to the district.
10 Instead, Sections 54.711-54.715, Water Code, applied
11 to the district under Section 54.034 of that code. See
12 Revisor's Note (3) to Section 8274.002. Chapter 715,
13 Acts of the 74th Legislature, Regular Session, 1995,
14 repealed Sections 54.711-54.715, Water Code, and
15 enacted Section 49.301, Water Code, to govern the
16 addition of land to a municipal utility district by the
17 petition of the landowner. The revised law is drafted
18 accordingly.

19 (3) Section 9, Chapter 391, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to Article
21 7880--75b, Vernon's Texas Civil Statutes. Article
22 7880--75b was codified by Chapter 58, Acts of the 62nd
23 Legislature, Regular Session, 1971, as Sections
24 51.718-51.724, Water Code, relating to the addition of
25 land to a water control and improvement district by the
26 petition of less than all the landowners. After the
27 district converted to a municipal utility district in
28 1980, those sections no longer applied to the
29 district. Instead, Sections 54.716-54.726, Water
30 Code, applied to the district under Section 54.034 of
31 that code. See Revisor's Note (3) to Section 8274.002.
32 Chapter 715, Acts of the 74th Legislature, Regular
33 Session, 1995, repealed Sections 54.716-54.726, Water
34 Code, and enacted Section 49.302, Water Code, to

1 govern the addition of land to a municipal utility
2 district by the petition of less than all the
3 landowners. The revised law is drafted accordingly.

4 (4) Section 9, Chapter 391, Acts of the 61st
5 Legislature, Regular Session, 1969, refers to
6 "property taxpaying voters." The revised law omits
7 the reference to "property taxpaying" because in Hill
8 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the
9 United States Supreme Court determined that property
10 ownership as a qualification for voting is an
11 unconstitutional denial of equal protection.

12 Revised Law

13 Sec. 8274.006. STATE POLICY REGARDING WASTE DISPOSAL. The
14 district's powers and functions are subject to the state policy of
15 encouraging the development and use of integrated area-wide waste
16 collection, treatment, and disposal systems to serve the waste
17 disposal needs of this state's residents, if integrated systems can
18 reasonably be provided for an area, so as to avoid the economic
19 burden on residents and the effect on state water quality caused by
20 the construction and operation of numerous small waste collection,
21 treatment, and disposal facilities. (Acts 61st Leg., R.S., Ch.
22 391, Sec. 5.A (part).)

23 Source Law

24 A. . . . The powers and functions conferred on
25 the district are granted subject to the policy of the
26 state to encourage the development and use of
27 integrated area-wide waste collection, treatment and
28 disposal systems to serve the waste disposal needs of
29 the citizens of the state, it being an objective of the
30 policy to avoid the economic burden to the people and
31 the impact on the quality of the waters in the state
32 which result from the construction and operation of
33 numerous small waste collection, treatment and
34 disposal facilities to serve an area when an
35 integrated area-wide waste collection, treatment and
36 disposal system for the area can be reasonably
37 provided.

38 Revisor's Note

39 Section 5.A, Chapter 391, Acts of the 61st
40 Legislature, Regular Session, 1969, refers to
41 "citizens" of the state. The revised law substitutes

1 "residents" for "citizens" because, in the context of
2 this section, "citizens" and "residents" are
3 synonymous and "residents" is more commonly used.

4 Revised Law

5 Sec. 8274.007. LIBERAL CONSTRUCTION OF CHAPTER. This
6 chapter shall be liberally construed to effect the purposes,
7 powers, rights, and functions stated in this chapter. (Acts 61st
8 Leg., R.S., Ch. 391, Sec. 25 (part).)

9 Source Law

10 Sec. 25. . . . All of the terms and provisions
11 of this Act are to be liberally construed to effectuate
12 the purposes, powers, rights, functions and
13 authorities herein set forth.

14 Revisor's Note

15 Section 25, Chapter 391, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to
17 "purposes, powers, rights, functions and
18 authorities." Throughout this chapter, the revised
19 law omits "authority" and "authorities" as included in
20 the meaning of "power" and "powers."

21 Revisor's Note

22 (End of Subchapter)

23 (1) Section 5.A, Chapter 391, Acts of the 61st
24 Legislature, Regular Session, 1969, provides that the
25 act prevails over any general law that applies to water
26 control and improvement districts and that is in
27 conflict or inconsistent with the act. The general law
28 applicable to water control and improvement districts
29 no longer applies to the district because the district
30 converted to a municipal utility district. See
31 Revisor's Note (3) to Section 8274.002. The revised
32 law omits the provision rather than codifying the
33 provision and substituting a reference to municipal
34 utility districts for the reference to water control
35 and improvement districts because the provision
36 duplicates, in substance, Section 311.026, Government

1 Code (Code Construction Act). The omitted law reads:

2 Sec. 5.A. [The district shall have
3 and exercise, and is hereby vested with, all
4 of the rights, powers, privileges,
5 authority, and functions conferred and
6 imposed by the general laws of this state
7 now in force or hereafter enacted,
8 applicable to water control and improvement
9 districts created under authority of
10 Article XVI, Section 59, Constitution of
11 Texas, including without limitation those
12 conferred by Chapter 3A, Title 128, Vernon's
13 Texas Civil Statutes, . . .;] but to the
14 extent that the provisions of any such
15 general laws may be in conflict or
16 inconsistent with the provisions of this
17 Act, the provisions of this Act shall
18 prevail. . . .

19 (2) Section 5.A, Chapter 391, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that any
21 general law relating to water control and improvement
22 districts is adopted and incorporated by reference.
23 The general law applicable to water control and
24 improvement districts no longer applies to the
25 district because the district converted to a municipal
26 utility district. See Revisor's Note (3) to Section
27 8274.002. The revised law omits the provision rather
28 than codifying the provision and substituting a
29 reference to municipal utility districts for the
30 reference to water control and improvement districts
31 because it is not necessary to duplicate by means of
32 adoption and incorporation the substance of general
33 laws applicable to the district. The omitted law
34 reads:

35 A. . . . All such general laws are
36 hereby adopted and incorporated by
37 reference with the same effect as if
38 incorporated in full by this Act. . . .

39 (3) Section 22, Chapter 391, Acts of the 61st
40 Legislature, Regular Session, 1969, provides that
41 Article 970a, Vernon's Texas Civil Statutes (Municipal
42 Annexation Act), does not apply to the creation of the
43 district. The revised law omits that provision as
44 executed. The omitted law reads:

1 Sec. 22. The district is hereby
2 created notwithstanding any of the
3 provisions of the Municipal Annexation Act,
4 being Article 970a, Vernon's Texas Civil
5 Statutes, as amended, and to the extent of
6 the creation of the district only, said
7 Article 970a shall have no
8 application. . . .

9 (4) Section 22, Chapter 391, Acts of the 61st
10 Legislature, Regular Session, 1969, provides that the
11 district is subject to certain other laws. The revised
12 law omits that provision because the laws cited apply
13 by their own terms. Section 22 refers to Article 970a,
14 Vernon's Texas Civil Statutes (Municipal Annexation
15 Act). In 1987, Article 970a was codified as Chapters
16 42 and 43, Local Government Code, and Section 212.003,
17 Local Government Code. Section 22 also refers to
18 Article 1182c--1, Vernon's Texas Civil Statutes, "as
19 amended." In 1987, Article 1182c--1 was codified as
20 Sections 43.074, 43.075, and 43.081, Local Government
21 Code.

22 Throughout this chapter, the revised law omits
23 "as amended" and similar language because, under
24 Section 311.027, Government Code (Code Construction
25 Act), a reference to a statute applies to all
26 reenactments, revisions, or amendments of that
27 statute, unless expressly provided otherwise. The
28 omitted law reads:

29 Sec. 22. . . . In all other respects,
30 the district hereby created is expressly
31 made subject to all provisions of said
32 Article 970a. The district shall also be
33 subject to the provisions of Article
34 1182c--1, Vernon's Texas Civil Statutes, as
35 amended.

36 [Sections 8274.008-8274.050 reserved for expansion]

37 SUBCHAPTER B. DISTRICT ADMINISTRATION

38 Revised Law

39 Sec. 8274.051. COMPOSITION OF BOARD. The board consists of
40 five directors elected by position. (Acts 61st Leg., R.S., Ch. 391,
41 Sec. 10 (part).)

1 Legislature, Regular Session, 1969, requires each
2 director to qualify "by subscribing to the
3 constitutional oath of office." The revised law omits
4 the quoted language because it duplicates, in
5 substance, Section 1, Article XVI, Texas Constitution.

6 (2) Section 10, Chapter 391, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that the
8 district shall pay the cost of a director's bond and
9 that the bond shall be approved by the board and
10 recorded in the district office. The revised law omits
11 that provision because it duplicates, in substance,
12 Sections 49.055(c) and (d), Water Code. The omitted
13 law reads:

14 Sec. 10. . . . The cost of such bond
15 shall be paid by the district. . . . The
16 bonds of directors elected or appointed
17 after the directors named below shall be
18 approved by the district's board of
19 directors and shall be recorded in a record
20 kept for that purpose in the office of the
21 district. . . .

22 (3) Section 10, Chapter 391, Acts of the 61st
23 Legislature, Regular Session, 1969, requires each
24 director to give bond and provides that "[s]uch bond"
25 shall be approved by the county judge and filed in the
26 office of the county clerk of Harris County. That
27 section also provides that the bonds of directors
28 elected or appointed after the initial directors shall
29 be approved by the board and shall be recorded in a
30 record kept for that purpose in the district office.
31 Because the provision requiring directors' bonds to be
32 approved by the county judge and filed in the county
33 clerk's office is followed by a provision requiring
34 bonds of successor directors to be approved by the
35 board and recorded in the district's records, it
36 appears from the context that the provision requiring
37 directors' bonds to be approved by the county judge and
38 filed in the office of the county clerk applies only to

1 the bond of an initial director. Accordingly, the
2 revised law omits that provision as executed. The
3 omitted law reads:

4 Sec. 10. . . . Such bond shall be
5 approved by the county judge and filed in
6 the office of the county clerk of Harris
7 County, Texas. . . .

8 Revised Law

9 Sec. 8274.053. ABSENCE OR INACTION OF BOARD PRESIDENT. (a)
10 When the board president is absent or fails or declines to act, the
11 board vice president shall perform all duties and exercise all
12 power this chapter or general law gives the president.

13 (b) If the board president is absent from a board meeting:

14 (1) the board vice president may sign an order or other
15 action adopted at the meeting; or

16 (2) the board may authorize the president to sign the
17 order or other action. (Acts 61st Leg., R.S., Ch. 391, Sec. 10
18 (part).)

19 Source Law

20 Sec. 10. . . . The vice president shall perform
21 all duties and exercise all power conferred by this Act
22 or the general law upon the president when the
23 president is absent or fails or declines to act. Any
24 order adopted or other action taken at a meeting of the
25 board of directors at which the president is absent may
26 be signed by the vice president, or the board may
27 authorize the president to sign such order or other
28 action.

29 Revised Law

30 Sec. 8274.054. DISTRICT OFFICE. (a) Except as provided by
31 this section, the board shall designate, establish, and maintain a
32 district office as provided by Section 49.062, Water Code.

33 (b) The board may establish a second district office outside
34 the district. If the board establishes a second district office,
35 the board shall give notice of the location of that office by:

36 (1) filing a copy of the board resolution that
37 establishes the location of the office:

38 (A) with the Texas Commission on Environmental
39 Quality; and

40 (B) in the municipal utility district records of

1 Harris County; and

2 (2) publishing notice of the location of the office in
3 a newspaper of general circulation in Harris County.

4 (c) A district office that is a private residence, office,
5 or dwelling is a public place for matters relating to the district's
6 business.

7 (d) The board shall provide notice of any change in the
8 location of the district office outside the district in the manner
9 required by Subsection (b). (Acts 61st Leg., R.S., Ch. 391, Sec.
10 15.)

11 Source Law

12 Sec. 15. The board of directors shall
13 designate, establish and maintain a district office as
14 provided by Article 7880--44, Vernon's Texas Civil
15 Statutes, and, in addition, may establish a second
16 district office outside the district. Either or both
17 district offices so established and maintained may be
18 a private residence, office or dwelling in which event
19 such private residence, office or dwelling is hereby
20 declared a public place for matters relating to the
21 district's business.

22 If the board of directors establishes a district
23 office outside the district, it shall give notice of
24 the location of that district office by filing a true
25 copy of its resolution establishing the location of
26 such district office with the Texas Water Rights
27 Commission, by filing a true copy in the Water Control
28 and Improvement District records of Harris County,
29 Texas, and also by publishing the location in a
30 newspaper of general circulation in said county.

31 If the location of the district office outside
32 the district is thereafter changed, notice of such
33 change shall be given in the same manner.

34 Revisor's Note

35 (1) Section 15, Chapter 391, Acts of the 61st
36 Legislature, Regular Session, 1969, refers to "Article
37 7880--44, Vernon's Texas Civil Statutes." Article
38 7880--44 was codified by Chapter 58, Acts of the 62nd
39 Legislature, Regular Session, 1971, as Sections 51.094
40 and 51.096, Water Code, relating to the district
41 office and the minutes and records of the district,
42 respectively. After the district converted to a
43 municipal utility district in 1980, those sections no
44 longer applied to the district. See Revisor's Note (3)
45 to Section 8274.002. Chapter 715, Acts of the 74th

1 Legislature, Regular Session, 1995, enacted Section
2 49.062, Water Code, to govern the designation of
3 offices for certain districts, including municipal
4 utility districts. The revised law is drafted
5 accordingly.

6 (2) Section 15, Chapter 391, Acts of the 61st
7 Legislature, Regular Session, 1969, refers to a "true
8 copy" of a document. The revised law omits "true"
9 because a copy, by definition, accurately reflects the
10 content of the original document.

11 (3) Section 15, Chapter 391, Acts of the 61st
12 Legislature, Regular Session, 1969, refers to the
13 "Texas Water Rights Commission." The revised law
14 substitutes "Texas Commission on Environmental
15 Quality" for "Texas Water Rights Commission" to
16 reflect the current name of the agency with the
17 relevant regulatory authority.

18 Revisor's Note
19 (End of Subchapter)

20 (1) Section 10, Chapter 391, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that each
22 director shall serve until the director's successor is
23 elected or appointed and qualified. The revised law
24 omits that provision because Section 17, Article XVI,
25 Texas Constitution, requires an officer in this state
26 to continue to perform the officer's official duties
27 until a successor has qualified. The omitted law
28 reads:

29 Sec. 10. . . . Each director shall
30 serve for his term of office as herein
31 provided, and thereafter until his
32 successor shall be elected or appointed and
33 qualified. . . .

34 (2) Section 10, Chapter 391, Acts of the 61st
35 Legislature, Regular Session, 1969, names the initial
36 directors by position, requires them to qualify to
37 serve as directors before the first board meeting,

1 provides for filling vacancies in the office of
2 director, and provides that the named directors or
3 their successors shall serve until the second Saturday
4 in January 1971. The revised law omits as executed the
5 provisions naming the initial directors, requiring
6 them to qualify by a certain time, and specifying the
7 expiration of their terms. Because the provision
8 specifying the procedure for filling vacancies in the
9 office of director is followed by a provision
10 requiring the named initial directors or their
11 successors to serve until a specified date in 1971, it
12 appears from the context that the provision relating
13 to the filling of vacancies also applies only to the
14 initial directors. Accordingly, the revised law also
15 omits that language as executed. The omitted law
16 reads:

17 Sec. 10. . . . Immediately after
18 this Act becomes effective, the following
19 named persons shall be the directors of the
20 district and shall constitute the board of
21 directors of the district:

22 Position 1 Howard W. Horne
23 Position 2 Sidney V. Smith
24 Position 3 Stewart N. Campbell
25 Position 4 Paul W. Pigue
26 Position 5 Ira E. McKeever, Jr.

27 Said persons shall file their bonds as soon
28 as practicable after the effective date of
29 this Act and shall otherwise be fully
30 qualified to serve as director prior to the
31 first meeting of the board of directors.
32 All vacancies in the office of director
33 shall be filled in the manner provided by
34 Article 7880--38, Vernon's Texas Civil
35 Statutes; provided, however, if at any time
36 the number of qualified directors shall be
37 less than three because of the failure or
38 refusal of one or more directors to qualify
39 or serve, or because of his or their death
40 or incapacitation, or for any other reason,
41 then the county judge of Harris County,
42 Texas, shall appoint the necessary number
43 of directors to fill all vacancies on the
44 board. The directors named above or their
45 duly appointed successor or successors
46 shall serve until the second Saturday in
47 January, 1971. . . .

48 (3) Section 10, Chapter 391, Acts of the 61st
49 Legislature, Regular Session, 1969, provides for

1 directors to be elected or appointed by position and to
2 serve for the term and in the manner provided by
3 Article 7880--37, Vernon's Texas Civil Statutes.
4 Article 7880--37 was codified by Chapter 58, Acts of
5 the 62nd Legislature, Regular Session, 1971, as
6 Section 51.073, Water Code. After the district
7 converted to a municipal utility district in 1980,
8 that section no longer applied to the district.
9 Instead, Section 54.103, Water Code, applied to the
10 district under Section 54.034 of that code. See
11 Revisor's Note (3) to Section 8274.002. Chapter 715,
12 Acts of the 74th Legislature, Regular Session, 1995,
13 repealed Section 54.103, Water Code, and enacted
14 Section 49.103, Water Code, to govern the terms of
15 office and manner of election of directors of a
16 municipal utility district and certain other
17 districts. Section 49.103, Water Code, applies to the
18 district without an express reference to that section
19 by this chapter. The revised law omits "appointed by
20 position" because it is clear from the context of
21 Section 10 that the reference applies only to
22 directors appointed to fill vacancies as provided by
23 Chapter 49, Water Code. The omitted law reads:

24 Sec. 10. . . . [Succeeding
25 directors shall be elected by position or]
26 appointed by position and shall serve for
27 the term and in the manner provided by
28 Article 7880--37, Vernon's Texas Civil
29 Statutes,

30 (4) Section 10, Chapter 391, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that
32 directors' elections shall be held each year on the
33 second Saturday in January. The revised law omits that
34 provision as superseded by the 1995 enactment of
35 Section 49.103, Water Code, which requires the
36 election of directors to be held on the uniform
37 election date in May of even-numbered years. The

1 omitted law reads:

2 Sec. 10. . . . except that all
3 directors elections shall be held each year
4 on the second Saturday in January. . . .

5 (5) Section 10, Chapter 391, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that
7 three directors constitute a quorum and that a
8 concurrence of three directors is sufficient in all
9 matters relating to the business of the district,
10 including certain construction matters. The revised
11 law omits that provision because it duplicates, in
12 substance, Section 49.053, Water Code. The omitted
13 law reads:

14 Sec. 10. . . . Three directors shall
15 constitute a quorum of any meeting, and a
16 concurrence of three shall be sufficient in
17 all matters pertaining to the business of
18 the district including the letting of
19 construction contracts and the drawing of
20 warrants in payment for construction work,
21 the purchase of existing facilities, and
22 matters relating to construction
23 work. . . .

24 (6) Section 10, Chapter 391, Acts of the 61st
25 Legislature, Regular Session, 1969, provides for the
26 powers of the board's president. The revised law omits
27 that provision because it duplicates, in substance,
28 Section 49.054(c), Water Code. The omitted law reads:

29 Sec. 10. . . . The president may
30 execute all contracts, construction or
31 otherwise, entered into by the board of
32 directors on behalf of the district. . . .

33 [Sections 8274.055-8274.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 8274.101. MUNICIPAL UTILITY DISTRICT POWERS. (a) The
37 district has all of the rights, powers, privileges, and functions
38 conferred and imposed by the general law of this state relating to
39 municipal utility districts created under Section 59, Article XVI,
40 Texas Constitution, including those conferred by Chapters 49 and
41 54, Water Code.

1 (b) The district may exercise inside or outside the
2 district's boundaries any of the rights or powers granted by this
3 chapter or under the general law relating to municipal utility
4 districts, including the provision of water, sanitary sewerage, and
5 drainage services. (Acts 61st Leg., R.S., Ch. 391, Secs. 5.A
6 (part), 16 (part).)

7 Source Law

8 Sec. 5.A. The district shall have and exercise,
9 and is hereby vested with, all of the rights, powers,
10 privileges, authority, and functions conferred and
11 imposed by the general laws of this state now in force
12 or hereafter enacted, applicable to water control and
13 improvement districts created under authority of
14 Article XVI, Section 59, Constitution of Texas,
15 including without limitation those conferred by
16 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
17 with all amendments and additions thereto;

18 Sec. 16. The district may exercise any of the
19 rights, powers, and authorities granted in this Act or
20 under the general laws relating to water control and
21 improvement districts within or without the boundaries
22 of the district, and is specifically authorized to
23 exercise any of the rights, powers, and authorities in
24 order to provide water, sanitary sewerage and drainage
25 services to areas within or without the boundaries of
26 the district. . . .

27 Revisor's Note

28 (1) Section 5.A, Chapter 391, Acts of the 61st
29 Legislature, Regular Session, 1969, states that the
30 district "shall have and exercise, and is hereby
31 vested with," certain powers. The revised law
32 substitutes "has" for the quoted language because in
33 the context of this section, the terms are synonymous
34 and "has" is more commonly used.

35 (2) Section 5.A, Chapter 391, Acts of the 61st
36 Legislature, Regular Session, 1969, states that the
37 district has the rights, powers, privileges,
38 authority, and functions conferred by the general laws
39 of this state "now in force or hereafter enacted." The
40 revised law omits the quoted language because it is
41 unnecessary under accepted general principles of
42 statutory construction. The "general laws of this
43 state" means those laws "in force" at the time the

1 provision was adopted. It is not necessary to state
2 that the district may be granted additional powers by
3 later enacted laws because those laws apply on their
4 own terms.

5 (3) Section 5.A, Chapter 391, Acts of the 61st
6 Legislature, Regular Session, 1969, grants the
7 district certain powers, including "without
8 limitation" the powers conferred by Chapter 3A, Title
9 128, Vernon's Texas Civil Statutes. The revised law
10 omits "without limitation" because Section
11 311.005(13), Government Code (Code Construction Act),
12 provides that "includes" and "including" are terms of
13 enlargement and not of limitation and do not create a
14 presumption that components not expressed are
15 excluded.

16 (4) Section 5.A, Chapter 391, Acts of the 61st
17 Legislature, Regular Session, 1969, refers to "Chapter
18 3A, Title 128, Vernon's Texas Civil Statutes." The
19 relevant provisions of that statute were codified by
20 Chapter 58, Acts of the 62nd Legislature, Regular
21 Session, 1971, as Chapter 51, Water Code. After the
22 district converted to a municipal utility district in
23 1980, Chapter 51, Water Code, no longer applied to the
24 district. Instead, Chapter 54, Water Code, applies to
25 the district under Section 54.034 of that code. See
26 Revisor's Note (3) to Section 8274.002. In 1995,
27 Section 2, Chapter 715, Acts of the 74th Legislature,
28 Regular Session, enacted Chapter 49, Water Code. To
29 reflect those changes, the revised law substitutes a
30 reference to Chapters 49 and 54, Water Code, for the
31 reference to "Chapter 3A, Title 128, Vernon's Texas
32 Civil Statutes."

33 (5) Section 5.A, Chapter 391, Acts of the 61st
34 Legislature, Regular Session, 1969, refers to the

1 continuing right of this state to supervise the
2 district through the Texas Water Rights Commission.
3 The revised law omits the provision because the Texas
4 Commission on Environmental Quality is the successor
5 to the Texas Water Rights Commission, and therefore
6 the provision duplicates, in substance, part of
7 Section 12.081, Water Code, which applies to the
8 district. The omitted law reads:

9 A. . . . The rights, powers,
10 privileges, authority, and functions herein
11 granted to the district shall be subject to
12 the continuing right of supervision of the
13 state, to be exercised by and through the
14 Texas Water Rights Commission. . . .

15 (6) Section 16, Chapter 391, Acts of the 61st
16 Legislature, Regular Session, 1969, provides that the
17 district "is specifically authorized to exercise any
18 of the [district's] rights, powers, and authorities in
19 order to" take certain actions. The revised law
20 substitutes "may" for "is specifically authorized to"
21 because that term is more concise and is the
22 substantive equivalent of the quoted language.

23 Revised Law

24 Sec. 8274.102. ADDITIONAL POWERS. (a) The district may:

25 (1) make, purchase, construct, lease, or otherwise
26 acquire, inside or outside the district's boundaries, property,
27 works, facilities, or improvements, whether previously existing or
28 to be made, constructed, or acquired, that are necessary to carry
29 out the powers granted by this chapter or general law; or

30 (2) enter into a contract with a person on terms the
31 board considers desirable, fair, and advantageous for:

32 (A) the purchase or sale of water;

33 (B) the transportation, treatment, and disposal
34 of the domestic, industrial, or communal wastes of the district or
35 others, including the purposes provided by Chapter 30, Water Code;

36 (C) the continuing and orderly development of
37 land and property in the district through the purchase,

1 construction, or installation of facilities, works, or
2 improvements that the district is otherwise authorized to do or
3 perform so that, to the greatest extent reasonably possible,
4 considering sound engineering and economic practices, all of the
5 land and property may ultimately receive the services of the
6 facilities, works, or improvements; and

7 (D) the performance of any of the powers granted
8 by this chapter or the general law.

9 (b) A contract under Subsection (a)(2) may not have a
10 duration of more than 40 years. (Acts 61st Leg., R.S., Ch. 391,
11 Sec. 5.B (part).)

12 Source Law

13 B. Not by way of limitation, the district shall
14 have and is hereby expressly granted the following
15 rights, powers, privileges, and functions:

16 (1) The power and authority to make,
17 purchase, construct, lease, or otherwise acquire
18 property, works, facilities, and improvements
19 (whether previously existing or to be made,
20 constructed, or acquired) within or without the
21 boundaries of the district necessary to carry out the
22 powers and authority granted by this Act and the
23 general laws.

24 (2) The right, power, and authority to
25 enter into contracts of not exceeding 40 years
26 duration with persons, corporations (public or
27 private), municipal corporations, political
28 subdivisions of the State of Texas, and others, on such
29 terms and conditions as the board of directors may deem
30 desirable, fair, and advantageous for:

31 (a) the purchase and sale of water,
32 or either, and . . .

33 (b) the transportation, treatment
34 and disposal of its domestic, industrial or communal
35 wastes or the transportation, treatment and disposal
36 of domestic, industrial or communal wastes of others,
37 to include, but not by way of limitation, the purposes
38 of the Regional Waste Disposal Act (Article 7621g,
39 Vernon's Texas Civil Statutes), the provisions of
40 which are expressly made applicable to the district;

41 (c) the continuing and orderly
42 development of the lands and property within the
43 district through the purchase, construction or
44 installation of facilities, works or improvements
45 which the district may otherwise be empowered and
46 authorized to do or perform so that, to the greatest
47 extent reasonably possible, considering sound
48 engineering and economic practices, all of such lands
49 and property may be placed in a position to ultimately
50 receive the services of such facilities, works or
51 improvements; and

52 (d) the performance of any of the
53 rights or powers granted in this Act and the general
54 laws. . . .

1 Revisor's Note

2 (1) Section 5.B, Chapter 391, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that,
4 "[n]ot by way of limitation," the district has certain
5 specified rights, powers, privileges, and functions.
6 The revised law omits the quoted language because it is
7 an accepted general principle of statutory
8 construction that a grant of a right, power,
9 privilege, or function does not act as a limitation.
10 The general principle applies to this revision.

11 (2) Section 5.B, Chapter 391, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 district "shall have and is hereby expressly granted
14 the following rights, powers, privileges, and
15 functions" to take certain actions. The revised law
16 substitutes "may" for the quoted language because that
17 term is more concise and is the substantive equivalent
18 of the quoted language.

19 (3) Section 5.B, Chapter 391, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to the
21 power of the district to enter into contracts with
22 persons, "corporations (public or private), municipal
23 corporations, political subdivisions of the State of
24 Texas, and others." The revised law omits the quoted
25 language because under Section 311.005(2), Government
26 Code (Code Construction Act), "person" is defined to
27 include any legal entity.

28 (4) Section 5.B, Chapter 391, Acts of the 61st
29 Legislature, Regular Session, 1969, provides that the
30 district may enter into a contract on "terms and
31 conditions" the board considers desirable, fair, and
32 advantageous. The revised law omits the reference to
33 "conditions" because "conditions" is included in the
34 meaning of "terms."

1 (5) Section 5.B, Chapter 391, Acts of the 61st
2 Legislature, Regular Session, 1969, provides that the
3 district may enter into certain contracts for purposes
4 to include, "but not by way of limitation," the
5 purposes of the Regional Waste Disposal Act (Article
6 7621g, Vernon's Texas Civil Statutes). The revised law
7 omits the quoted language for the reason stated in
8 Revisor's Note (1) to this section.

9 (6) Section 5.B, Chapter 391, Acts of the 61st
10 Legislature, Regular Session, 1969, refers to the
11 purposes of the Regional Waste Disposal Act (Article
12 7621g, Vernon's Texas Civil Statutes). Article 7621g
13 was codified by Chapter 58, Acts of the 62nd
14 Legislature, Regular Session, 1971, as Chapter 25,
15 Water Code. Chapter 25 was revised by Chapter 870,
16 Acts of the 65th Legislature, Regular Session, 1977,
17 as Chapter 30, Water Code. The revised law is drafted
18 accordingly.

19 Revised Law

20 Sec. 8274.103. EMINENT DOMAIN. The district may exercise
21 the power of eminent domain only:

- 22 (1) in a county in which the district is located; and
23 (2) when necessary to carry out the purposes for which
24 the district was created. (Acts 61st Leg., R.S., Ch. 391, Sec. 13
25 (part).)

26 Source Law

27 Sec. 13. The power of eminent domain of the
28 district shall be limited to the county or counties in
29 which the district is situated, and to situations
30 where the exercise of such power is necessary in order
31 to carry out the purposes for which the district was
32 created. . . .

33 Revised Law

34 Sec. 8274.104. COST OF RELOCATING OR ALTERING PROPERTY.
35 (a) In this section, "sole expense" means the actual cost of
36 relocating, raising, lowering, rerouting, changing the grade of, or
37 altering the construction of a facility described by Subsection (b)

1 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. (Acts 61st Leg.,
11 R.S., Ch. 391, Sec. 13 (part).)

12 Source Law

13 Sec. 13. . . . In the event that the district,
14 in the exercise of the power of eminent domain or power
15 of relocation, or any other power granted hereunder,
16 makes necessary the relocation, raising, rerouting or
17 changing the grade of, or altering the construction
18 of, any highway, railroad, electric transmission line,
19 telegraph or telephone properties and facilities, or
20 pipeline, all such necessary relocation, raising,
21 rerouting, changing of grade or alteration of
22 construction shall be accomplished at the sole expense
23 of the district. The term "sole expense" shall mean the
24 actual cost of such relocation, raising, lowering,
25 rerouting, or change in grade or alteration of
26 construction in providing comparable replacement
27 without enhancement of such facilities, after
28 deducting therefrom the net salvage value derived from
29 the old facility.

30 Revised Law

31 Sec. 8274.105. CONTRACT FOR PURCHASE OF WATER, SEWER, OR
32 DRAINAGE SERVICES; ELECTION NOT REQUIRED. (a) The district and a
33 political subdivision may enter into a contract for water, sewer,
34 or drainage services or any combination of those services without
35 the necessity of an election by any contracting party to approve the
36 contract.

37 (b) The district may pay for an obligation incurred by such
38 a contract by issuing bonds that, if otherwise necessary, have been
39 approved by the voters in the manner provided by this chapter.

40 (c) The district may deliver the district's bonds to the
41 United States or an agency or instrumentality of the United States,
42 or this state or an agency or instrumentality of this state, that

1 entered into a contract with the district. (Acts 61st Leg., R.S.,
2 Ch. 391, Sec. 5.B (part).)

3 Source Law

4 B. . . .

5 No election shall be required of the district or
6 any municipal corporation or other political
7 subdivisions for approval of water, sewer or drainage
8 contracts or any combination thereof, but such
9 contracts may be entered into without the necessity of
10 an election by any contracting party. The district may
11 make payment of the obligations incurred by any such
12 contract by the issuance of bonds which, if otherwise
13 necessary, have been approved by the voters in the
14 manner provided for in this Act. The district may
15 deliver its bonds to the United States, or any agency
16 or instrumentality thereof, or the State of Texas, or
17 any agency or instrumentality thereof, which entered
18 into such contracts with the district.

19 Revisor's Note

20 Section 5.B, Chapter 391, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that the
22 district may contract with "any municipal corporation
23 or other political subdivisions." The revised law
24 omits the reference to "any municipal corporation"
25 because "municipal corporation" is included in the
26 meaning of "political subdivision."

27 Revised Law

28 Sec. 8274.106. NOTICE OF ELECTION. The board president or
29 secretary may give notice of an election. (Acts 61st Leg., R.S.,
30 Ch. 391, Sec. 19.)

31 Source Law

32 Sec. 19. Notice of all elections may be given
33 under the hand of either the president or the secretary
34 of the district.

35 [Sections 8274.107-8274.150 reserved for expansion]

36 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

37 Revised Law

38 Sec. 8274.151. TAX METHOD. (a) The district shall use the
39 ad valorem plan of taxation.

40 (b) The board is not required to call or hold a hearing on
41 the adoption of a plan of taxation. (Acts 61st Leg., R.S., Ch. 391,
42 Sec. 8.)

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Source Law

Sec. 8. It shall not be necessary for the board of directors to call or hold a hearing on the adoption of a plan of taxation, but the ad valorem plan of taxation shall be used by the district.

Revised Law

Sec. 8274.152. TAX TO PAY OBLIGATIONS INCURRED UNDER CONTRACT FOR WATER PURCHASE. (a) If the tax is authorized at an election held for that purpose in the manner provided by Section 49.107, Water Code, the district may impose a tax and pledge the tax for the payment of all or part of an obligation incurred under a contract to purchase water.

(b) The election may be held in conjunction with an election authorizing tax bonds or authorizing a maintenance tax. (Acts 61st Leg., R.S., Ch. 391, Sec. 5.B (part).)

Source Law

B. . . .
(2)
(a) the district shall have the power to levy, collect, and pledge taxes for the payment of part or all obligations incurred under contracts to purchase water if said taxes are authorized at an election held for that purpose in the manner authorized by Article 7880--107, Vernon's Texas Civil Statutes, as amended, which election may be held in conjunction with an election authorizing tax bonds or authorizing a maintenance tax;
. . . .

Revisor's Note

Section 5.B, Chapter 391, Acts of the 61st Legislature, Regular Session, 1969, refers to a tax election held in the manner authorized by Article 7880--107, Vernon's Texas Civil Statutes, as amended. The relevant portion of Article 7880--107, which provided procedures for a maintenance tax election, was codified by Chapter 58, Acts of the 62nd Legislature, Regular Session, 1971, as Section 51.361, Water Code. Chapter 715, Acts of the 74th Legislature, Regular Session, 1995, repealed Section 51.361, Water Code, and enacted Section 49.107, Water Code, which provides the operation and maintenance tax election

1 procedures applicable to the district. (See Revisor's
2 Note (1) to Section 8274.051.) The revised law is
3 drafted accordingly.

4 Revised Law

5 Sec. 8274.153. DISTRICT ACCOUNTS. The district shall keep
6 a complete system of the district's accounts. (Acts 61st Leg.,
7 R.S., Ch. 391, Sec. 14 (part).)

8 Source Law

9 Sec. 14. . . .
10 A complete system of accounts shall be kept by the
11 district and

12 Revised Law

13 Sec. 8274.154. FISCAL YEAR. The fiscal year of the district
14 is from January 1 to December 31 of the same year. (Acts 61st Leg.,
15 R.S., Ch. 391, Sec. 14 (part).)

16 Source Law

17 Sec. 14. . . . The fiscal year of the district
18 shall be from January 1 to December 31 of the same
19 year, unless and until changed by the board of
20 directors. . . .

21 Revisor's Note

22 Section 14, Chapter 391, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that the
24 district's fiscal year is January 1 to December 31
25 "unless and until changed by the board of directors."
26 The revised law omits the quoted language because it
27 duplicates Section 49.158, Water Code.

28 Revised Law

29 Sec. 8274.155. COPY OF AUDIT REPORT. A copy of the audit
30 report prepared under Subchapter G, Chapter 49, Water Code, shall
31 be delivered:

32 (1) to each director; and

33 (2) to a holder of at least 25 percent of the
34 outstanding bonds of the district, on request. (Acts 61st Leg.,
35 R.S., Ch. 391, Sec. 14 (part); New.)

36 Source Law

37 Sec. 14. . . . A written report of the audit

1 shall be delivered to each member of the board of
2 directors . . . a copy of such audit report shall be
3 delivered upon request to the holder or holders of at
4 least 25 percent of the then outstanding bonds of the
5 district; and

6 Revisor's Note

7 (1) Section 14, Chapter 391, Acts of the 61st
8 Legislature, Regular Session, 1969, refers to various
9 audit procedures, including who may receive a copy of
10 the audit report. As detailed in the revisor's notes
11 that follow, procedures that are superseded by
12 Subchapter G, Chapter 49, Water Code, have been
13 omitted as superseded by Section 49.191(b), Water
14 Code, and the specific provisions in Subchapter G that
15 conflict with Chapter 391, Acts of the 61st
16 Legislature, Regular Session, 1969. Section 49.191(b)
17 states that Subchapter G "shall take precedence over
18 all prior statutory enactments." Subchapter G,
19 Chapter 49, Water Code, was enacted in 1995 by Section
20 2, Chapter 715, Acts of the 74th Legislature, Regular
21 Session. For context and the convenience of the
22 reader, the revised law adds a reference to the audit
23 report required by Subchapter G, Chapter 49, Water
24 Code.

25 (2) Section 14, Chapter 391, Acts of the 61st
26 Legislature, Regular Session, 1969, provides that an
27 annual audit of the district's affairs shall be
28 prepared by an independent certified public accountant
29 or a firm of independent certified public accountants
30 of recognized integrity and ability. The revised law
31 omits that provision as superseded by Sections
32 49.191(b) and (c), Water Code (enacted by Section 2,
33 Chapter 715, Acts of the 74th Legislature, Regular
34 Session, 1995). The omitted law reads:

35 Sec. 14. . . . an audit of its
36 affairs for each year shall be prepared by
37 an independent certified public accountant,
38 or a firm of independent certified public
39 accountants, of recognized integrity and

1 ability. . . .

2 (3) Section 14, Chapter 391, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that a
4 written report of the audit shall be delivered to each
5 board member not later than 90 days after the close of
6 each fiscal year. The revised law omits the deadline
7 for delivery of the report as superseded by Sections
8 49.191(b) and (d), Water Code (enacted by Section 2,
9 Chapter 715, Acts of the 74th Legislature, Regular
10 Session, 1995). The omitted law reads:

11 Sec. 14. . . . [A written report of
12 the audit shall be delivered to each member
13 of the board of directors] not later than 90
14 days after the close of each fiscal year;
15 and

16 (4) Section 14, Chapter 391, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that at
18 least five copies of the audit report shall be
19 delivered to the district office and that one of those
20 copies shall constitute a public record. The revised
21 law omits those provisions as superseded by Sections
22 49.191(b), 49.194(c), and 49.196(b), Water Code
23 (enacted by Section 2, Chapter 715, Acts of the 74th
24 Legislature, Regular Session, 1995). The omitted law
25 reads:

26 Sec. 14. . . . at least five
27 additional copies of said audit shall be
28 delivered to the office of the district, one
29 of which shall be kept on file, and shall
30 constitute a public record open to
31 inspection by any interested person or
32 persons during normal office hours;
33 and

34 (5) Section 14, Chapter 391, Acts of the 61st
35 Legislature, Regular Session, 1969, provides that one
36 copy of the audit report shall be filed with the Texas
37 Water Rights Commission. The revised law omits that
38 provision as superseded by Sections 49.191(b) and
39 49.194(a), Water Code (enacted by Section 2, Chapter
40 715, Acts of the 74th Legislature, Regular Session,

1 1995). The omitted law reads:

2 Sec. 14. . . . one copy of such
3 audit report shall be filed with the Texas
4 Water Rights Commission. . . .

5 (6) Section 14, Chapter 391, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that the
7 district shall pay the cost of the audit. The revised
8 law omits that provision because it duplicates Section
9 49.191(a), Water Code. The omitted law reads:

10 Sec. 14. . . . The cost of such audit
11 shall be paid for by the district.

12 Revised Law

13 Sec. 8274.156. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

14 The district is not required to pay a tax or assessment on:

- 15 (1) district property; or
16 (2) a purchase made by the district. (Acts 61st Leg.,
17 R.S., Ch. 391, Sec. 24 (part).)

18 Source Law

19 Sec. 24. . . . the district shall not be
20 required to pay any tax or assessment on its properties
21 or any part thereof or on any purchases made by the
22 district.

23 Revised Law

24 Sec. 8274.157. DEPOSITORY. (a) The board shall select one
25 or more banks in this state to act as depository for the district's
26 money.

27 (b) To the extent that money in the depository bank is not
28 insured by the Federal Deposit Insurance Corporation, the money
29 must be secured in the manner provided by law for the security of
30 county funds.

31 (c) A director may be a shareholder in a bank that is a
32 depository of district money. (Acts 61st Leg., R.S., Ch. 391, Sec.
33 14 (part).)

34 Source Law

35 Sec. 14. The board of directors of the district
36 shall select any bank or banks in the State of Texas to
37 act as depository or depositories for the funds of the
38 district. To the extent that funds in the depository
39 bank or banks are not insured by the Federal Deposit
40 Insurance Corporation, they shall be secured in the

1 manner provided by law for the security of county
2 funds. Any director of the district may be a
3 shareholder in said depository bank or banks. . . .

4 Revisor's Note

5 Section 14, Chapter 391, Acts of the 61st
6 Legislature, Regular Session, 1969, refers to the
7 district's "funds." The revised law substitutes
8 "money" for "funds" because, in the context of
9 district funds, the meaning is the same and "money" is
10 the more commonly used term.

11 [Sections 8274.158-8274.200 reserved for expansion]

12 SUBCHAPTER E. BONDS

13 Revised Law

14 Sec. 8274.201. AUTHORITY TO ISSUE BONDS. The district may
15 vote and issue any kind of bonds or issue refunding bonds for
16 contiguous or noncontiguous areas for any district purpose. (Acts
17 61st Leg., R.S., Ch. 391, Sec. 16 (part).)

18 Source Law

19 Sec. 16. . . . The district may vote and issue
20 any kind of bonds or issue refunding bonds for any or
21 all of such purposes herein provided, for contiguous
22 or noncontiguous areas, and

23 Revisor's Note

24 Section 16, Chapter 391, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that the
26 district may provide for and pay for district bonds and
27 pay for any expense necessarily incurred in the
28 issuance of district bonds. The revised law omits that
29 provision because it duplicates, in substance, parts
30 of Sections 49.155(a) and 54.503, Water Code. The
31 omitted law reads:

32 Sec. 16. [The district may . . .
33 issue . . . bonds . . . and] provide and
34 make payment therefor and for necessary
35 expenses in connection therewith. . . .

36 Revised Law

37 Sec. 8274.202. USE OF BOND PROCEEDS OUTSIDE DISTRICT. The
38 proceeds from the sale of tax-supported district bonds may not be
39 spent outside the district unless the expenditure is absolutely

1 necessary to the operation of the district in the exercise of the
2 district's rights, powers, privileges, and functions. (Acts 61st
3 Leg., R.S., Ch. 391, Sec. 16 (part).)

4 Source Law

5 Sec. 16. . . . Provided, however, that no
6 proceeds from sale of tax-supported bonds of the
7 district shall be expended outside of the boundaries
8 of the district, unless it is absolutely necessary to
9 the operation of the district, in the exercise of its
10 lawful rights, powers, privileges, authority and
11 functions.

12 Revisor's Note

13 Section 16, Chapter 391, Acts of the 61st
14 Legislature, Regular Session, 1969, refers to the
15 district's "lawful rights, powers, privileges,
16 authority and functions." The revised law omits
17 "lawful" as unnecessary because the district is
18 created under law and all of the district's rights,
19 powers, privileges, authority, and functions are
20 granted or conferred by law.

21 Revised Law

22 Sec. 8274.203. USE OF BOND PROCEEDS DURING CONSTRUCTION.

23 (a) The district may appropriate or set aside out of the proceeds
24 from the sale of any bonds issued under this chapter an amount for
25 the payment of interest, administrative, and operating expenses
26 expected to accrue during a period of construction, as may be
27 provided in the bond orders or resolutions.

28 (b) For purposes of this section, the period of construction
29 may not exceed three years. (Acts 61st Leg., R.S., Ch. 391, Sec. 12
30 (part).)

31 Source Law

32 Sec. 12. . . .
33 From the proceeds of sale of any bonds issued
34 hereunder, the district may appropriate or set aside
35 out of the bond proceeds an amount for the payment of
36 interest, administrative, and operating expenses
37 expected to accrue during the period of construction,
38 said period not to exceed three years, as may be
39 provided in the bond orders or resolutions, and . . .

40 Revised Law

41 Sec. 8274.204. LOST OR MUTILATED BONDS. A trust indenture

1 securing bonds issued under this chapter may provide for the
2 issuance of bonds to replace lost or mutilated bonds. (Acts 61st
3 Leg., R.S., Ch. 391, Sec. 12 (part).)

4 Source Law

5 Sec. 12. . . .
6 [Such bonds . . . may be additionally secured by
7 a deed of trust or mortgage lien] . . . Such trust
8 indenture, . . . may make provisions for . . . the
9 issuance of bonds to replace lost or mutilated bonds,
10 and

11 Revised Law

12 Sec. 8274.205. REFUNDING BONDS. (a) By order or resolution
13 adopted by the board, the district may issue revenue refunding
14 bonds or tax-revenue refunding bonds to refund revenue bonds or
15 tax-revenue bonds, whether original bonds or refunding bonds,
16 previously issued by the district.

17 (b) The comptroller shall register the refunding bonds on
18 the surrender and cancellation of the bonds to be refunded.

19 (c) Instead of issuing bonds to be registered on the
20 surrender and cancellation of the bonds to be refunded, the
21 district, in the order or resolution authorizing the issuance of
22 the refunding bonds, may provide for the sale of the refunding bonds
23 and the deposit of the proceeds in the place or places where the
24 bonds to be refunded are payable. In that case, the refunding bonds
25 may be issued if an amount sufficient to pay the principal of and
26 interest on the bonds to be refunded to their maturity dates, or to
27 their option dates if according to their terms the bonds have been
28 called for payment before maturity, has been deposited in the place
29 or places where the bonds to be refunded are payable, and the
30 comptroller shall register the refunding bonds without the
31 surrender and cancellation of the bonds to be refunded. (Acts 61st
32 Leg., R.S., Ch. 391, Sec. 12 (part).)

33 Source Law

34 Sec. 12. . . .
35 By orders or resolutions adopted by its board of
36 directors, said district shall have the power and
37 authority to issue revenue refunding bonds or
38 tax-revenue refunding bonds to refund revenue bonds or
39 tax-revenue bonds (either original bonds or refunding
40 bonds) theretofore issued by such district. Said

1 refunding bonds shall be approved by the attorney
2 general as in the case of original bonds, and shall be
3 registered by the comptroller of public accounts upon
4 the surrender and cancellation of the bonds to be
5 refunded, but in lieu thereof, the orders or
6 resolutions authorizing the issuance of said refunding
7 bonds may provide that they shall be sold and the
8 proceeds thereof deposited in the place or places
9 where the underlying bonds are payable, in which case
10 the refunding bonds may be issued provided an amount
11 sufficient to pay the interest and principal on the
12 underlying bonds to their maturity dates, or to their
13 option dates if said bonds have been duly called for
14 payment prior to maturity according to their terms,
15 has been so deposited in the place or places where said
16 underlying bonds are payable, and the comptroller of
17 public accounts shall register them without the
18 surrender and cancellation of the underlying
19 bonds. . . .

20 Revisor's Note

21 (1) Section 12, Chapter 391, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that the
23 district "shall have the power and authority" to issue
24 certain bonds. The revised law substitutes "may" for
25 the quoted language for the reason stated in Revisor's
26 Note (2) to Section 8274.102.

27 (2) Section 12, Chapter 391, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that
29 refunding bonds "shall be approved by the attorney
30 general as in the case of original bonds." The revised
31 law omits the quoted language because it is superseded
32 by Section 1202.003, Government Code, enacted in 1987
33 as Section 3.002(a), Chapter 53, Acts of the 70th
34 Legislature, 2nd Called Session (Article 717k-8,
35 Vernon's Texas Civil Statutes). That section applies
36 to district bonds by application of Section 1202.001,
37 Government Code.

38 (3) Section 12, Chapter 391, Acts of the 61st
39 Legislature, Regular Session, 1969, refers to bonds
40 that have been "duly" called for payment before their
41 maturity. The revised law omits "duly" in this context
42 because it does not add to the clear meaning of the
43 law.

Revisor's Note
(End of Subchapter)

(1) Section 11, Chapter 391, Acts of the 61st Legislature, Regular Session, 1969, provides that the district shall comply with the requirements of Article 7880--139, Vernon's Texas Civil Statutes. Article 7880--139 was codified by Chapter 58, Acts of the 62nd Legislature, Regular Session, 1971, as Sections 51.421 and 51.422, Water Code. After the district was converted to a municipal utility district in 1980, those sections no longer applied to the district. Instead, Sections 54.516 and 54.517, Water Code, applied to the district under Section 54.034 of that code. See Revisor's Note (3) to Section 8274.002. Chapter 715, Acts of the 74th Legislature, Regular Session, 1995, repealed Sections 54.516 and 54.517, Water Code, and enacted Sections 49.181 and 49.182, Water Code, to govern the authority of the Texas Commission on Environmental Quality over the issuance of district bonds and supervision by the commission of projects and improvements, respectively. Sections 49.181 and 49.182, Water Code, apply to the district on their own terms, without an express reference to those sections in this chapter. The omitted law reads:

Sec. 11. The district shall comply with the requirements of Article 7880--139, Vernon's Texas Civil Statutes.

(2) Section 12, Chapter 391, Acts of the 61st Legislature, Regular Session, 1969, refers to the district's authority to issue bonds for specific purposes. The revised law omits that provision because it duplicates Section 54.501, Water Code. The omitted law reads:

Sec. 12. The district is hereby authorized to issue [its negotiable tax bonds, revenue bonds, or tax and revenue] bonds to provide funds for any or all of the purposes set out or incorporated by reference herein, including the acquisition

1 of land therefor, and

2 (3) Section 12, Chapter 391, Acts of the 61st
3 Legislature, Regular Session, 1969, authorizes the
4 district to issue "negotiable" bonds and provides for
5 the payment of those bonds. The revised law omits the
6 reference to "negotiable" bonds because Section
7 1201.041, Government Code, provides that a public
8 security is a negotiable instrument. Section 1201.041
9 applies to district bonds by application of Section
10 1201.002, Government Code. The revised law omits the
11 provision regarding the payment of district bonds
12 because the provision duplicates, in substance,
13 Section 54.503, Water Code. The omitted law reads:

14 Sec. 12. [The district is hereby
15 authorized to issue] its negotiable tax
16 bonds, revenue bonds, or tax and revenue
17 [bonds]

18 The bonds issued hereunder may be
19 payable from all or any designated part or
20 parts of the revenues of the district's
21 properties and facilities or under specific
22 contracts, as may be provided in the orders
23 or resolutions authorizing the issuance of
24 such bonds; and,

25 (4) Section 12, Chapter 391, Acts of the 61st
26 Legislature, Regular Session, 1969, provides that
27 district bonds shall be issued under Chapter 3A, Title
28 128, and Article 7880--90a, Vernon's Texas Civil
29 Statutes. Chapter 58, Acts of the 62nd Legislature,
30 Regular Session, 1971, codified the relevant
31 provisions of Chapter 3A, Title 128, as Chapter 51,
32 Water Code. The same act codified Article 7880--90a as
33 Sections 51.450-51.454, Water Code. The revised law
34 omits the references to those laws because the
35 district converted from a water control and
36 improvement district governed by Chapter 51, Water
37 Code, to a municipal utility district governed by
38 Chapter 54, Water Code. See Revisor's Note (3) to
39 Section 8274.002. The provisions of Chapter 54, Water
40 Code, apply on their own terms. The omitted law reads:

1 Sec. 12. . . . said bonds shall be
2 issued in the manner provided and as
3 authorized by Article 7880--90a, Vernon's
4 Texas Civil Statutes and Chapter 3A, Title
5 128, Vernon's Texas Civil Statutes, as
6 presently or hereafter amended;

7 (5) Section 12, Chapter 391, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that an
9 election is not required for bonds payable from
10 revenues. The revised law omits that provision
11 because it duplicates, in substance, Section 54.505,
12 Water Code. The omitted law reads:

13 Sec. 12. . . . provided, however,
14 that bonds payable solely from net revenues
15 may be issued by resolution or order of the
16 board of directors and no election therefor
17 shall be necessary. . . .

18 (6) Section 12, Chapter 391, Acts of the 61st
19 Legislature, Regular Session, 1969, provides that
20 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
21 applies to bonds issued under Section 12 except when
22 Chapter 3A is inconsistent or in conflict with Section
23 12. The revised law omits the provision for the
24 reasons stated in Revisor's Note (4) to the end of this
25 subchapter and Revisor's Note (1) to the end of
26 Subchapter A. The omitted law reads:

27 Sec. 12. . . . except as the same may
28 be inconsistent or in conflict with the
29 provisions of this Act, the provisions of
30 said Chapter 3A, Title 128, Vernon's Texas
31 Civil Statutes, as presently or hereafter
32 amended, shall apply to all bonds issued
33 under the provisions of this Act (the
34 provisions of this Act to govern and take
35 precedence in the event of any such
36 inconsistency or conflict). . . .

37 (7) Section 12, Chapter 391, Acts of the 61st
38 Legislature, Regular Session, 1969, provides for
39 additional security for bonds. The revised law omits
40 that provision because it duplicates Section 54.504,
41 Water Code. The omitted law reads:

42 Sec. 12. . . .
43 Such bonds, within the discretion of
44 the board of directors, may be additionally
45 secured by a deed of trust or mortgage lien

1 upon part or all of the physical properties
2 of the district, and franchises, easements,
3 water rights and appropriation permits,
4 leases, and contracts and all rights
5 appurtenant to such properties, vesting in
6 the trustee power to sell such properties
7 for payment of the indebtedness, power to
8 operate the properties and all other powers
9 and authority for the further security of
10 the bonds. [Such trust indenture,
11 regardless of the existence of the deed of
12 trust or mortgage lien on the properties,
13 may contain provisions prescribed by the
14 board of directors for the security of the
15 bonds and the preservation of the trust
16 estate, and [may make provisions for]
17 amendment or modification thereof and . . .
18 may condition the right to expend district
19 money or sell district property upon
20 approval of a registered professional
21 engineer selected as provided therein and
22 may make provision for investment of funds
23 of the district. Any purchaser under a sale
24 under the deed of trust or mortgage lien,
25 where one is given, shall be absolute owner
26 of the properties, facilities, and rights
27 so purchased and shall have the right to
28 maintain and operate same. . . .

29 (8) Section 12, Chapter 391, Acts of the 61st
30 Legislature, Regular Session, 1969, specifies various
31 provisions of bonds. The revised law omits that
32 provision because it duplicates Section 54.510, Water
33 Code. The omitted law reads:

34 Sec. 12. . . .
35 In the orders or resolutions
36 authorizing the issuance of any revenue,
37 tax-revenue, revenue refunding, or
38 tax-revenue refunding bonds authorized
39 herein, the district's board of directors
40 may provide for the flow of funds, the
41 establishment and maintenance of the
42 interest and sinking fund or funds, reserve
43 fund or funds, and other funds, and may make
44 additional covenants with respect to the
45 bonds and the pledged revenues and the
46 operation and maintenance of the
47 improvements and facilities the revenues of
48 which are pledged, including provisions for
49 the operation or for the leasing of all or
50 any part of said improvements and
51 facilities and the use or pledge of moneys
52 derived from such operation contracts and
53 leases, as such board may deem appropriate.
54 Such orders or resolutions may also
55 prohibit the further issuance of bonds or
56 other obligations payable from the pledged
57 revenues, or may reserve the right to issue
58 additional bonds to be secured by a pledge
59 of and payable from said revenues on a
60 parity with, or subordinate to, the lien and
61 pledge in support of the bonds being issued,
62 subject to such conditions as are set forth
63 in such orders or resolutions. Such orders

1 or resolutions may contain other provisions
2 and covenants, as the district's board may
3 determine, not prohibited by the
4 Constitution of Texas or by this Act, and
5 said board may adopt and cause to be
6 executed any other proceedings or
7 instruments necessary or convenient in the
8 issuance of any such bonds. . . .

9 (9) Section 12, Chapter 391, Acts of the 61st
10 Legislature, Regular Session, 1969, provides for the
11 use of bond proceeds to pay expenses incurred and to be
12 incurred in the issuance, sale, and delivery of the
13 bonds. The revised law omits that provision because it
14 duplicates, in substance, Section 49.155, Water Code.
15 The omitted law reads:

16 Sec. 12. . . .
17 [From the proceeds of sale of any bonds
18 issued hereunder, the district may
19 appropriate or set aside out of the bond
20 proceeds] . . . an amount necessary to pay
21 all expenses incurred and to be incurred in
22 the issuance, sale and delivery of the
23 bonds. . . .

24 (10) Section 12, Chapter 391, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that
26 money in a fund established or provided for in a bond
27 order or resolution may be invested in securities as
28 provided in the bond order or may be placed on
29 interest-bearing time deposit. The revised law omits
30 that provision because it is superseded by Subchapter
31 A, Chapter 2256, Government Code (enacted as Chapter
32 889, Acts of the 70th Legislature, Regular Session,
33 1987). The omitted law reads:

34 Sec. 12. . . . Moneys in the interest
35 and sinking fund or funds and the reserve
36 fund or funds, and in the other fund or
37 funds established or provided for in the
38 bond orders or resolutions may be invested
39 in such manner and in such securities as may
40 be provided in the bond order or orders or
41 may be placed on interest-bearing time
42 deposit. . . .

43 (11) Section 12, Chapter 391, Acts of the 61st
44 Legislature, Regular Session, 1969, provides that bond
45 proceeds may be invested in securities of the United
46 States or placed on interest-bearing time deposit.

1 The revised law omits that provision as superseded by
2 Subchapter A, Chapter 2256, Government Code (enacted
3 as Chapter 889, Acts of the 70th Legislature, Regular
4 Session, 1987). The omitted law reads:

5 Sec. 12. . . . Until such time as the
6 bond proceeds are needed to carry out the
7 bond purpose, such proceeds may be invested
8 in securities of the United States
9 government or any agency thereof or may be
10 placed on interest-bearing time deposit,
11 either or both. . . .

12 (12) Section 12, Chapter 391, Acts of the 61st
13 Legislature, Regular Session, 1969, provides that
14 district bonds may be registered as to principal or as
15 to principal and interest. The revised law omits that
16 provision because it duplicates Section 1201.024,
17 Government Code. That section applies to district
18 bonds by application of Section 1201.002, Government
19 Code. The omitted law reads:

20 Sec. 12. . . . Any such revenue
21 bonds, tax-revenue, revenue refunding
22 bonds, or tax-revenue refunding bonds
23 herein mentioned may be registrable as to
24 principal, or as to both principal and
25 interest. . . .

26 (13) Section 12, Chapter 391, Acts of the 61st
27 Legislature, Regular Session, 1969, requires the
28 district to deliver its bonds to the attorney general
29 for examination and approval. The revised law omits
30 that provision because it duplicates, in substance,
31 Section 1202.003, Government Code. Section 1202.003,
32 Government Code, applies to district bonds by
33 application of Section 1202.001, Government Code. The
34 omitted law reads:

35 Sec. 12. . . .
36 After any bonds have been authorized
37 by the district hereunder, such bonds and
38 the record relating to their issuance shall
39 be submitted to the Attorney General of the
40 State of Texas for his examination as to the
41 validity thereof, and

42 (14) Section 12, Chapter 391, Acts of the 61st
43 Legislature, Regular Session, 1969, provides that

1 after approval the bonds shall be registered with the
2 comptroller. The revised law omits that provision as
3 superseded by Section 1202.005, Government Code
4 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
5 of the 70th Legislature, 2nd Called Session). Section
6 1202.005, Government Code, applies to district bonds
7 by application of Section 1202.001, Government Code.
8 The omitted law reads:

9 Sec. 12. . . . after said attorney
10 general has approved the same, such bonds
11 shall be registered by the Comptroller of
12 Public Accounts of the State of
13 Texas. . . .

14 (15) Section 12, Chapter 391, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that
16 after approval and registration, district bonds are
17 incontestable except for forgery or fraud. The
18 revised law omits that provision as impliedly repealed
19 by Section 1202.006, Government Code (enacted as
20 Section 3.002(d), Chapter 53, Acts of the 70th
21 Legislature, 2nd Called Session, 1987). Section
22 1202.006, Government Code, provides that after
23 approval and registration, bonds are incontestable for
24 any reason. Section 1202.006 applies to district
25 bonds by application of Section 1202.001, Government
26 Code. The omitted law reads:

27 Sec. 12. . . . When such bonds have
28 been approved by the attorney general,
29 registered by the comptroller of public
30 accounts, and delivered to the purchasers,
31 they shall thereafter be incontestable
32 except for forgery or fraud. . . .

33 (16) Section 12, Chapter 391, Acts of the 61st
34 Legislature, Regular Session, 1969, details various
35 procedures regarding the attorney general's approval
36 of bond contracts and proceedings. The revised law
37 omits the portion of Section 12 regarding the
38 incontestability of a contract the proceeds of which
39 are pledged to the payment of a bond as impliedly

1 repealed by Section 1202.006, Government Code (enacted
2 as Section 3.002(d), Chapter 53, Acts of the 70th
3 Legislature, 2nd Called Session, 1987). Section
4 1202.006, Government Code, provides that after
5 approval and registration of the bond, the bond and
6 contract are incontestable for any reason. Section
7 1202.006 applies to district bonds by application of
8 Section 1202.001, Government Code. The omitted law
9 reads:

10 Sec. 12. . . . When any bonds recite
11 that they are secured partially or
12 otherwise by a pledge of the proceeds of a
13 contract or contracts made between the
14 district and another party or parties
15 (private or public) a copy of such contract
16 or contracts and the proceedings
17 authorizing the same may or may not be
18 submitted to the attorney general along
19 with the bond record and, if so submitted,
20 the approval by the attorney general of the
21 bonds shall constitute an approval of such
22 contract or contracts, and thereafter the
23 contract or contracts shall be
24 incontestable for any cause except for
25 forgery or fraud. . . .

26 (17) Section 12, Chapter 391, Acts of the 61st
27 Legislature, Regular Session, 1969, provides that the
28 district may sell bonds only after taking public bids.
29 The revised law omits that provision because it
30 duplicates, in substance, Section 49.183(a), Water
31 Code. The omitted law reads:

32 Sec. 12. . . . The district's bonds
33 shall only be sold after taking public bids
34 therefor.

35 (18) Section 17, Chapter 391, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that the
37 district may sell bonds at any price or on any terms,
38 except that the price may not be less than that
39 provided by law. The revised law omits that provision
40 because it duplicates Section 1204.006(b), Government
41 Code. Section 1204.006(b) provides that an issuer may
42 sell public securities at any price and applies to
43 district bonds by application of Section 1204.001,

1 Government Code. The omitted law reads:

2 Sec. 17. Bonds of the district may be
3 sold at a price and upon the terms
4 determined by the board of directors of the
5 district, except that such bonds shall not
6 be sold for a less amount than provided by
7 law.

8 (19) Section 18, Chapter 391, Acts of the 61st
9 Legislature, Regular Session, 1969, provides that
10 elections to authorize district bonds must be held
11 under applicable general law. Section 18 also
12 provides that if the first bond election fails, any
13 provision of the general law relating to the
14 dissolution of a district when a bond election fails
15 does not apply to the district. The revised law omits
16 the provision relating to the first bond election as
17 executed. The revised law omits the provision
18 requiring bond elections to be held under applicable
19 general law because the provision duplicates Section
20 49.101, Water Code. The omitted law reads:

21 Sec. 18. All elections to authorize
22 the issuance of bonds by the district shall
23 be held pursuant to the general law
24 applicable thereto; provided, however, that
25 if the first bond election fails, Article
26 7880-77b, Vernon's Texas Civil Statutes, or
27 any other provision of the general law
28 pertaining to dissolution of the district
29 when a bond election fails, shall not apply.

30 (20) Section 21, Chapter 391, Acts of the 61st
31 Legislature, Regular Session, 1969, lists the entities
32 for which district bonds are legal investments and
33 provides that district bonds may secure deposits of
34 public funds of the state or political subdivisions.
35 The revised law omits the provision relating to the
36 eligibility of district bonds to be considered as
37 investments for various entities because it duplicates
38 Section 49.186(a), Water Code. The revised law omits
39 the provision relating to deposits of state funds by
40 the comptroller as impliedly repealed by Section
41 404.0221, Government Code (enacted in 1995), which

1 lists eligible collateral for deposits of state funds
2 by the comptroller. As to deposits of other funds, the
3 provision is impliedly repealed by Chapter 2257,
4 Government Code (enacted in 1989 as Article 2529d,
5 Vernon's Texas Civil Statutes), which governs eligible
6 collateral for deposits of funds of other public
7 agencies, including political subdivisions, and
8 permits those deposits to be secured by obligations
9 issued by conservation and reclamation districts. The
10 omitted law reads:

11 Sec. 21. All bonds and refunding
12 bonds of the district shall be and are
13 hereby declared to be legal, eligible, and
14 authorized investments for banks, savings
15 and loan associations, insurance companies,
16 fiduciaries, trustees, and for the sinking
17 funds of cities, towns, villages, counties,
18 school districts, or other political
19 corporations or subdivisions of the State
20 of Texas and for all public funds of the
21 State of Texas or its agencies, including
22 the State Permanent School Fund. Such bonds
23 and refunding bonds shall be eligible to
24 secure the deposit of any and all public
25 funds of the State of Texas, cities, towns,
26 villages, counties, school districts, or
27 other political corporations or
28 subdivisions of the State of Texas; and such
29 bonds shall be lawful and sufficient
30 security for said deposits to the extent of
31 their face value, when accompanied by all
32 unmatured coupons appurtenant thereto.

33 Revisor's Note
34 (End of Chapter)

35 (1) Section 6, Chapter 391, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that it
37 is not necessary for the board of directors to hold an
38 election to confirm the district's creation. The
39 revised law omits that provision as executed. The
40 omitted law reads:

41 Sec. 6. It shall not be necessary for
42 the board of directors to call or hold a
43 confirmation election for the confirmation
44 of the district.

45 (2) Section 7, Chapter 391, Acts of the 61st
46 Legislature, Regular Session, 1969, provides for the
47 exclusion of property from the district before the

1 first bond election is called. The revised law omits
2 that provision as executed because the district has
3 already issued bonds. The omitted law reads:

4 Sec. 7. It shall not be necessary for
5 the board of directors to call or hold a
6 hearing on the exclusions of land or other
7 property from the district; provided,
8 however, that the board shall hold such
9 hearing upon the written petition of any
10 landowner or other property owner within
11 the district filed with the secretary of the
12 board prior to the calling of the first bond
13 election for the district. The board may act
14 on said petition in the same manner that it
15 may act on a petition for the addition of
16 land under Article 7880--75, Vernon's Texas
17 Civil Statutes, and no notice of hearing
18 shall be required. . . .

19 (3) Section 7, Chapter 391, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that the
21 board may on its own motion hold a hearing on the
22 exclusion of property from the district in the manner
23 provided by general law. The revised law omits that
24 provision because it duplicates, in substance, Section
25 49.303(b), Water Code. The omitted law reads:

26 Sec. 7. . . . The board on its own
27 motion may call and hold an exclusions
28 hearing or hearings in the manner provided
29 by the general law.

30 (4) Section 20, Chapter 391, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that the
32 board shall canvass the returns of all elections. The
33 revised law omits that requirement because it
34 duplicates Section 67.002, Election Code, which
35 requires the governing body of a political subdivision
36 that orders an election to canvass the returns.
37 Section 20 also provides that the board shall canvass
38 the election returns "as soon as reasonably
39 practicable after an election." The revised law omits
40 that provision as superseded by Section 67.003,
41 Election Code (enacted by Section 1, Chapter 211, Acts
42 of the 69th Legislature, Regular Session, 1985). The
43 omitted law reads:

1 Sec. 20. The returns of all elections
2 shall be canvassed by the board of directors
3 of the district as soon as reasonably
4 practicable after an election.

5 (5) Section 23, Chapter 391, Acts of the 61st
6 Legislature, Regular Session, 1969, contains
7 legislative findings relating to the performance of
8 certain requirements under Section 59(d), Article XVI,
9 Texas Constitution, and to the authority of the
10 legislature to enact that chapter. The revised law
11 omits the provision as executed. The omitted law
12 reads:

13 Sec. 23. The Legislature
14 specifically finds and declares that the
15 requirements of Article XVI, Section 59(d),
16 Constitution of Texas, have been done and
17 accomplished in due course and time, and in
18 due order, and that the Legislature has the
19 power and authority to enact this Act.

20 (6) Section 25, Chapter 391, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that the
22 act is severable. The revised law omits that provision
23 because it duplicates Section 311.032, Government Code
24 (Code Construction Act), which states that a provision
25 of a statute is severable from each other provision of
26 the statute that can be given effect. The omitted law
27 reads:

28 Sec. 25. If any word, phrase, clause,
29 paragraph, sentence, part, portion or
30 provision of this Act or the application
31 thereof to any person or circumstance shall
32 be held to be invalid or unconstitutional,
33 the remainder of this Act shall
34 nevertheless be valid, and the Legislature
35 hereby declares that this Act would have
36 been enacted without such invalid or
37 unconstitutional word, phrase, clause,
38 paragraph, sentence, part, portion or
39 provision. . . .

40 CHAPTER 8275. HARRIS COUNTY UTILITY DISTRICT NO. 14

41 SUBCHAPTER A. GENERAL PROVISIONS

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1 Sec. 8275.004. DISTRICT TERRITORY 1590

2 [Sections 8275.005-8275.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 8275.051. COMPOSITION OF BOARD 1592

5 [Sections 8275.052-8275.100 reserved for expansion]

6 SUBCHAPTER C. POWERS AND DUTIES

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8 CHAPTER 8275. HARRIS COUNTY UTILITY DISTRICT NO. 14

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Revised Law

11 Sec. 8275.001. DEFINITIONS. In this chapter:

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

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

14 (3) "District" means the Harris County Utility
15 District No. 14. (Acts 62nd Leg., R.S., Ch. 445, Sec. 1 (part);
16 New.)

17 Source Law

18 Sec. 1. . . . [a . . . district] . . . to be
19 known as "Harris County Utility District No. 14,"
20 hereinafter called the "district,"

21 Revisor's Note

22 The definitions of "board" and "director" are
23 added to the revised law for drafting convenience and
24 to eliminate frequent, unnecessary repetition of the
25 substance of the definitions.

26 Revised Law

27 Sec. 8275.002. NATURE OF DISTRICT. The district is a
28 conservation and reclamation district in Harris County created
29 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
30 R.S., Ch. 445, Sec. 1 (part).)

31 Source Law

32 Sec. 1. . . . there is hereby created and
33 established, under and pursuant to the provisions of
34 Article XVI, Section 59 of the Constitution of Texas, a
35 conservation and reclamation district in Harris
36 County, Texas, . . . which shall be a governmental
37 agency and a body politic and corporate. . . .

1 Revisor's Note

2 (1) Section 1, Chapter 445, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 district is "created and established." The revised
5 law omits "established" because the meaning of that
6 word is included in the meaning of "created."

7 (2) Section 1, Chapter 445, Acts of the 62nd
8 Legislature, Regular Session, 1971, provides that the
9 district is created notwithstanding certain laws
10 relating to consent. The revised law omits that
11 provision as executed because the district has been
12 created. The omitted law reads:

13 Sec. 1. Notwithstanding provisions
14 of the general laws relating to consent by
15 political subdivisions for the creation of
16 conservation and reclamation districts,
17 [there is hereby created . . . a
18 conservation and reclamation district]
19

20 (3) Section 1, Chapter 445, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to the
22 district as "a governmental agency and a body politic
23 and corporate." The revised law omits the quoted
24 language because it duplicates a portion of Section
25 59(b), Article XVI, Texas Constitution, which provides
26 that a conservation and reclamation district is a
27 governmental agency and a body politic and corporate.

28 Revised Law

29 Sec. 8275.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
30 The district is created to serve a public use and benefit.

31 (b) All land and other property included in the boundaries
32 of the district will benefit from the works and projects
33 accomplished by the district under the powers conferred by Section
34 59, Article XVI, Texas Constitution.

35 (c) The creation of the district is essential to accomplish
36 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
37 62nd Leg., R.S., Ch. 445, Secs. 1 (part), 3.)

1 Source Law

2 Sec. 1. . . . The creation and establishment of
3 the district is hereby declared to be essential to the
4 accomplishment of the purposes of Article XVI, Section
5 59 of the Constitution of Texas.

6 Sec. 3. It is determined and found that all of
7 the land and other property included within the area
8 and boundaries of the district will be benefited by the
9 works and project which are to be accomplished by the
10 district pursuant to the powers conferred by the
11 provisions of Article XVI, Section 59 of the
12 Constitution of Texas, and that said district is
13 created to serve a public use and benefit.

14 Revisor's Note

15 (1) Section 1, Chapter 445, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that the
17 "creation and establishment" of the district are
18 essential to accomplish the purposes of Section 59,
19 Article XVI, Texas Constitution. The revised law
20 omits "establishment" because its meaning is included
21 in the meaning of "creation."

22 (2) Section 3, Chapter 445, Acts of the 62nd
23 Legislature, Regular Session, 1971, refers to land and
24 other property included within the "area and
25 boundaries of the district." The revised law omits the
26 reference to "area" because, in context, "area" is
27 included in the meaning of "boundaries."

28 Revised Law

29 Sec. 8275.004. DISTRICT TERRITORY. (a) The district is
30 composed of the territory described by Section 4, Chapter 445, Acts
31 of the 62nd Legislature, Regular Session, 1971, as that territory
32 may have been modified under:

- 33 (1) Subchapter H, Chapter 54, Water Code;
34 (2) Subchapter J, Chapter 49, Water Code; or
35 (3) other law.

36 (b) The boundaries and field notes of the district form a
37 closure. A mistake in copying the field notes in the legislative
38 process or another mistake in the field notes does not affect:

- 39 (1) the district's organization, existence, or

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 62nd Leg., R.S., Ch. 445, Sec. 2; New.)

8 Source Law

9 Sec. 2. It is determined and found that the
10 boundaries and field notes of the district form a
11 closure. If any mistake is made in copying the field
12 notes in the legislative process or otherwise a
13 mistake is made in the field notes, it shall in no way
14 affect the organization, existence and validity of the
15 district, or the right of the district to issue any
16 type of bonds or refunding bonds for the purposes for
17 which the district is created or to pay the principal
18 and interest thereon, or the right to assess, levy and
19 collect taxes, or in any other manner affect the
20 legality or operation of the district or its governing
21 body.

22 Revisor's Note

23 (1) The revision of the law governing the
24 district does not revise the statutory language
25 describing the territory of the district to avoid the
26 lengthy recitation of the description and because that
27 description may not be accurate on the effective date
28 of the revision or at the time of a later reading. For
29 the reader's convenience, the revised law includes
30 references to the statutory description of the
31 district's territory and to the authority to change the
32 district's territory under Subchapter H, Chapter 54,
33 Water Code, applicable to municipal utility districts,
34 and under Subchapter J, Chapter 49, Water Code,
35 applicable to the district under Sections 49.001 and
36 49.002 of that chapter. The revised law also includes
37 a reference to the general authority of the
38 legislature to enact a law to change the district's
39 territory.

40 (2) Section 2, Chapter 445, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides that a
2 mistake in the description of the district boundaries
3 does not affect the right of the district to issue "any
4 type of bonds or refunding bonds." The revised law
5 omits the reference to "refunding bonds" because
6 refunding bonds are included in the meaning of "any
7 type of bonds."

8 (3) Section 2, Chapter 445, Acts of the 62nd
9 Legislature, Regular Session, 1971, refers to the
10 district's authority to "assess, levy and collect"
11 taxes. The revised law substitutes "impose" for
12 "assess, levy and collect" because "impose" is the
13 term generally used in Title 1, Tax Code, and includes
14 the assessment, levy, and collection of a tax.

15 [Sections 8275.005-8275.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Revised Law

18 Sec. 8275.051. COMPOSITION OF BOARD. The board of
19 directors is composed of five elected directors. (Acts 62nd Leg.,
20 R.S., Ch. 445, Sec. 6 (part).)

21 Source Law

22 Sec. 6. . . . Succeeding directors shall be
23 elected or

24 Revisor's Note

25 (1) Section 6, Chapter 445, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to the
27 initial board of directors and to vacancy procedures.
28 The revised law omits the language relating to the
29 creation of the initial board as executed. The revised
30 law omits the language relating to vacancy procedures
31 for the initial board as executed and, to the extent
32 the language may apply to subsequently appointed
33 directors, because it duplicates in substance Section
34 49.105(c), Water Code. That section applies to the
35 district under Sections 49.001 and 49.002, Water Code.

1 The omitted law reads:

2 Sec. 6. Immediately after this Act
3 becomes effective, the following named
4 persons shall be the directors of the
5 district and shall constitute the board of
6 directors of the district:

7 Fred Goeke
8 Larry McLean
9 Andy Difiore
10 Kenny Paul
11 Gene Teas

12 Said persons shall qualify to serve as
13 directors prior to the first meeting of the
14 board of directors. Should any of the above
15 named directors fail to qualify for any
16 reason, the remaining named directors shall
17 appoint someone to fill such vacancy or
18 vacancies; provided, however, that if at
19 any time the number of qualified directors
20 shall be less than three because of the
21 failure or refusal of one or more directors
22 to qualify or serve or because of his or
23 their death or incapacitation, or for any
24 such other reason, the Texas Water Rights
25 Commission shall appoint the necessary
26 number of directors to fill all vacancies on
27 the board. The directors above named or
28 their duly appointed and qualified
29 successor or successors shall serve until
30 the second Saturday in January, 1973. . . .

31 (2) Section 6, Chapter 445, Acts of the 62nd
32 Legislature, Regular Session, 1971, refers to
33 "[s]ucceeding directors" to distinguish the
34 succeeding directors from the initial directors named
35 in that section. The revised law substitutes "five"
36 for "succeeding" to conform to the number of directors
37 listed in Section 6 (establishing the initial board).

38 (3) Section 6, Chapter 445, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides for
40 directors to be elected or appointed and to serve for
41 the term and in the manner provided by Chapter 54,
42 Water Code. Chapter 715, Acts of the 74th Legislature,
43 Regular Session, 1995, repealed the relevant
44 provisions of Chapter 54 and enacted similar
45 provisions in Chapter 49, Water Code, including
46 Section 49.103, which governs the terms of office and
47 manner of election of directors of a municipal utility
48 district that is required by law to elect its

1 directors. The revised law omits any reference to
2 Chapter 49, Water Code, because Chapter 49 applies to
3 the district under Sections 49.001 and 49.002 of that
4 chapter. The revised law also omits "appointed"
5 because it is clear from the context of Section 6 that
6 the reference applies only to directors appointed to
7 fill vacancies as provided by Chapter 49, Water Code.
8 The omitted law reads:

9 Sec. 6. . . . [Succeeding directors
10 shall be elected or] appointed and shall
11 serve for the term and in the manner
12 provided by Chapter 54, Title 4, Water Code.

13 [Sections 8275.052-8275.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Revised Law

16 Sec. 8275.101. MUNICIPAL UTILITY DISTRICT POWERS. The
17 district has the rights, powers, privileges, and functions
18 conferred by general law applicable to a municipal utility
19 district, including Chapters 49 and 54, Water Code. (Acts 62nd
20 Leg., R.S., Ch. 445, Sec. 5 (part); New.)

21 Source Law

22 Sec. 5. The district is hereby vested with, and
23 shall have and exercise, all of the rights, powers,
24 privileges, authority and functions conferred by the
25 general laws of this state applicable to municipal
26 utility districts, including without limitation those
27 conferred by Chapter 54, Title 4, Water Code, but
28

29 Revisor's Note

30 (1) Section 5, Chapter 445, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 district "is hereby vested with, and shall have and
33 exercise" certain powers. The revised law substitutes
34 "has" for the quoted language because, in context, the
35 terms are synonymous and "has" is more commonly used.

36 (2) Section 5, Chapter 445, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to the
38 "rights, powers, privileges, [and] authority" of the
39 district. The revised law omits the reference to

1 "authority" because, in context, "authority" is
2 included in the meaning of "rights, powers, [and]
3 privileges."

4 (3) Section 5, Chapter 445, Acts of the 62nd
5 Legislature, Regular Session, 1971, grants the
6 district certain powers, "including without
7 limitation those conferred by Chapter 54, Title 4,
8 Water Code." The revised law omits "without
9 limitation" because Section 311.005(13), Government
10 Code (Code Construction Act), provides that "includes"
11 and "including" are terms of enlargement and not of
12 limitation and do not create a presumption that
13 components not expressed are excluded.

14 (4) Section 5, Chapter 445, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to Chapter
16 54, Water Code. For the reader's convenience, the
17 revised law adds a reference to Chapter 49, Water Code,
18 because Chapter 715, Acts of the 74th Legislature,
19 Regular Session, 1995, repealed many provisions of
20 Chapter 54 and enacted similar provisions in Chapter
21 49, Water Code, which applies to the district under
22 Sections 49.001 and 49.002 of that chapter.

23 (5) Section 5, Chapter 445, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that the
25 act prevails over general law in case of a conflict or
26 other inconsistency and that all general laws
27 applicable to municipal utility districts not in
28 conflict or inconsistent with the provisions of the
29 act are adopted and incorporated by reference. The
30 revised law omits the portion of the provision
31 relating to the act prevailing over general law
32 because it duplicates in substance Section 311.026(b),
33 Government Code (Code Construction Act). The revised
34 law omits the portion of the provision relating to

1 adoption and incorporation of general laws because
2 Section 5 of Chapter 445 (revised as this section)
3 already provides that those laws apply to the
4 district, and it is unnecessary to repeat that
5 authority. The omitted law reads:

6 Sec. 5. . . . if any provision of
7 such general laws shall be in conflict or
8 inconsistent with the provisions of this
9 Act, the provisions of this Act shall
10 prevail. All such general laws applicable
11 to municipal utility districts not in
12 conflict or inconsistent with the
13 provisions of this Act are hereby adopted
14 and incorporated by reference with the same
15 effect as if copied in full in this Act.

16 Revisor's Note
17 (End of Chapter)

18 (1) Section 7, Chapter 445, Acts of the 62nd
19 Legislature, Regular Session, 1971, contains
20 legislative findings relating to the performance of
21 the requirements of Section 59(d), Article XVI, Texas
22 Constitution, and to the authority of the legislature
23 to enact that chapter. The revised law omits the
24 provision as executed. The omitted law reads:

25 Sec. 7. The Legislature specifically
26 finds and declares that the requirements of
27 Article XVI, Section 59(d) of the
28 Constitution of Texas have been performed
29 and accomplished in due course and time and
30 order, and that the Legislature has the
31 power and authority to enact this Act.

32 (2) Section 8, Chapter 445, Acts of the 62nd
33 Legislature, Regular Session, 1971, provides that the
34 act is severable. The revised law omits that provision
35 because it duplicates Section 311.032, Government Code
36 (Code Construction Act), which provides that a
37 provision of a statute is severable from each other
38 provision of the statute that can be given effect. The
39 omitted law reads:

40 Sec. 8. If any word, phrase, clause,
41 paragraph, sentence, part, portion or
42 provision of this Act or the application
43 thereof to any persons or circumstances
44 shall be held to be invalid or
45 unconstitutional, the remainder of the Act

1 shall nevertheless be valid and the
2 Legislature hereby declares that this Act
3 would have been enacted without such
4 invalid or unconstitutional word, phrase,
5 clause, paragraph, sentence, part, portion
6 or provision.

7 CHAPTER 8276. HARRIS COUNTY UTILITY DISTRICT NO. 15

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 8276.001. DEFINITIONS 1597
10 Sec. 8276.002. NATURE OF DISTRICT 1597
11 Sec. 8276.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1598
12 Sec. 8276.004. DISTRICT TERRITORY 1599

13 [Sections 8276.005-8276.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS

15 Sec. 8276.051. COMPOSITION OF BOARD 1601

16 [Sections 8276.052-8276.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8276.101. MUNICIPAL UTILITY DISTRICT POWERS 1603

19 CHAPTER 8276. HARRIS COUNTY UTILITY DISTRICT NO. 15

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Revised Law

22 Sec. 8276.001. DEFINITIONS. In this chapter:

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

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

25 (3) "District" means the Harris County Utility
26 District No. 15. (Acts 62nd Leg., R.S., Ch. 642, Sec. 1 (part);
27 New.)

28 Source Law

29 Sec. 1. . . . [a . . . district] . . . to be
30 known as "Harris County Utility District No. 15,"
31 hereinafter called the "district,"

32 Revisor's Note

33 The definitions of "board" and "director" are
34 added to the revised law for drafting convenience and
35 to eliminate frequent, unnecessary repetition of the
36 substance of the definitions.

37 Revised Law

38 Sec. 8276.002. NATURE OF DISTRICT. The district is a

1 conservation and reclamation district in Harris County created
2 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
3 R.S., Ch. 642, Sec. 1 (part).)

4 Source Law

5 Sec. 1. . . . there is hereby created and
6 established, under and pursuant to the provisions of
7 Article XVI, Section 59 of the Constitution of Texas, a
8 conservation and reclamation district in Harris
9 County, Texas, . . . which shall be a governmental
10 agency and a body politic and corporate. . . .

11 Revisor's Note

12 (1) Section 1, Chapter 642, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 district is "created and established." The revised
15 law omits "established" because the meaning of that
16 word is included in the meaning of "created."

17 (2) Section 1, Chapter 642, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 district is created notwithstanding certain laws
20 relating to consent. The revised law omits that
21 provision as executed because the district has been
22 created. The omitted law reads:

23 Sec. 1. Notwithstanding provisions
24 of the general laws relating to consent by
25 political subdivisions for the creation of
26 conservation and reclamation districts,
27 [there is hereby created . . . a
28 conservation and reclamation district]
29

30 (3) Section 1, Chapter 642, Acts of the 62nd
31 Legislature, Regular Session, 1971, refers to the
32 district as "a governmental agency and a body politic
33 and corporate." The revised law omits the quoted
34 language because it duplicates a portion of Section
35 59(b), Article XVI, Texas Constitution, which provides
36 that a conservation and reclamation district is a
37 governmental agency and a body politic and corporate.

38 Revised Law

39 Sec. 8276.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
40 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. (Acts
7 62nd Leg., R.S., Ch. 642, Secs. 1 (part), 3.)

8 Source Law

9 Sec. 1. . . . The creation and establishment of
10 the district is hereby declared to be essential to the
11 accomplishment of the purposes of Article XVI, Section
12 59 of the Constitution of Texas.

13 Sec. 3. It is determined and found that all of
14 the land and other property included within the area
15 and boundaries of the district will be benefited by the
16 works and project which are to be accomplished by the
17 district pursuant to the powers conferred by the
18 provisions of Article XVI, Section 59 of the
19 Constitution of Texas, and that said district is
20 created to serve a public use and benefit.

21 Revisor's Note

22 (1) Section 1, Chapter 642, Acts of the 62nd
23 Legislature, Regular Session, 1971, provides that the
24 "creation and establishment" of the district are
25 essential to accomplish the purposes of Section 59,
26 Article XVI, Texas Constitution. The revised law
27 omits "establishment" because its meaning is included
28 in the meaning of "creation."

29 (2) Section 3, Chapter 642, Acts of the 62nd
30 Legislature, Regular Session, 1971, refers to land and
31 other property included within the "area and
32 boundaries of the district." The revised law omits the
33 reference to "area" because, in context, "area" is
34 included in the meaning of "boundaries."

35 Revised Law

36 Sec. 8276.004. DISTRICT TERRITORY. (a) The district is
37 composed of the territory described by Section 4, Chapter 642, Acts
38 of the 62nd Legislature, Regular Session, 1971, as that territory
39 may have been modified under:

- 1 (1) Subchapter H, Chapter 54, Water Code;
2 (2) Subchapter J, Chapter 49, Water Code; or
3 (3) other law.

4 (b) The boundaries and field notes of the district form a
5 closure. A mistake in copying the field notes in the legislative
6 process or another mistake in the field notes does not affect:

7 (1) the district's organization, existence, or
8 validity;

9 (2) the district's right to issue any type of bond for
10 a purpose for which the district is created or to pay the principal
11 of and interest on the bond;

12 (3) the district's right to impose a tax; or

13 (4) the legality or operation of the district or its
14 governing body. (Acts 62nd Leg., R.S., Ch. 642, Sec. 2; New.)

15 Source Law

16 Sec. 2. It is determined and found that the
17 boundaries and field notes of the district form a
18 closure. If any mistake is made in copying the field
19 notes in the legislative process or otherwise a
20 mistake is made in the field notes, it shall in no way
21 affect the organization, existence and validity of the
22 district, or the right of the district to issue any
23 type of bonds or refunding bonds for the purposes for
24 which the district is created or to pay the principal
25 and interest thereon, or the right to assess, levy and
26 collect taxes, or in any other manner affect the
27 legality or operation of the district or its governing
28 body.

29 Revisor's Note

30 (1) The revision of the law governing the
31 district does not revise the statutory language
32 describing the territory of the district to avoid the
33 lengthy recitation of the description and because that
34 description may not be accurate on the effective date
35 of the revision or at the time of a later reading. For
36 the reader's convenience, the revised law includes
37 references to the statutory description of the
38 district's territory and to the authority to change the
39 district's territory under Subchapter H, Chapter 54,
40 Water Code, applicable to municipal utility districts,

1 and under Subchapter J, Chapter 49, Water Code,
2 applicable to the district under Sections 49.001 and
3 49.002 of that chapter. The revised law also includes
4 a reference to the general authority of the
5 legislature to enact a law to change the district's
6 territory.

7 (2) Section 2, Chapter 642, Acts of the 62nd
8 Legislature, Regular Session, 1971, provides that a
9 mistake in the description of the district boundaries
10 does not affect the right of the district to issue "any
11 type of bonds or refunding bonds." The revised law
12 omits the reference to "refunding bonds" because
13 refunding bonds are included in the meaning of "any
14 type of bonds."

15 (3) Section 2, Chapter 642, Acts of the 62nd
16 Legislature, Regular Session, 1971, refers to the
17 district's authority to "assess, levy and collect"
18 taxes. The revised law substitutes "impose" for
19 "assess, levy and collect" because "impose" is the
20 term generally used in Title 1, Tax Code, and includes
21 the assessment, levy, and collection of a tax.

22 [Sections 8276.005-8276.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Revised Law

25 Sec. 8276.051. COMPOSITION OF BOARD. The board of
26 directors is composed of five elected directors. (Acts 62nd Leg.,
27 R.S., Ch. 642, Sec. 6 (part).)

28 Source Law

29 Sec. 6. . . . Succeeding directors shall be
30 elected or

31 Revisor's Note

32 (1) Section 6, Chapter 642, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to the
34 initial board of directors and to vacancy procedures.
35 The revised law omits the language relating to the

1 creation of the initial board as executed. The revised
2 law omits the language relating to vacancy procedures
3 for the initial board as executed and, to the extent
4 the language may apply to subsequently appointed
5 directors, because it duplicates in substance Section
6 49.105(c), Water Code. That section applies to the
7 district under Sections 49.001 and 49.002, Water Code.
8 The omitted law reads:

9 Sec. 6. Immediately after this Act
10 becomes effective, the following named
11 persons shall be the directors of the
12 district and shall constitute the board of
13 directors of the district:

14 Coach Gavrel
15 Tommy Deane
16 Fred Curry
17 Dwight Caldwell
18 Jack Dean

19 Said persons shall qualify to serve as
20 directors prior to the first meeting of the
21 board of directors. Should any of the above
22 named directors fail to qualify for any
23 reason, the remaining named directors shall
24 appoint someone to fill such vacancy or
25 vacancies; provided, however, that if at
26 any time the number of qualified directors
27 shall be less than three because of the
28 failure or refusal of one or more directors
29 to qualify or serve or because of his or
30 their death or incapacitation, or for any
31 such other reason, the Texas Water Rights
32 Commission shall appoint the necessary
33 number of directors to fill all vacancies on
34 the board. The directors above named or
35 their duly appointed and qualified
36 successor or successors shall serve until
37 the second Saturday in January, 1973. . . .

38 (2) Section 6, Chapter 642, Acts of the 62nd
39 Legislature, Regular Session, 1971, refers to
40 "[s]ucceeding directors" to distinguish the
41 succeeding directors from the initial directors named
42 in that section. The revised law substitutes "five"
43 for "succeeding" to conform to the number of directors
44 listed in Section 6 (establishing the initial board).

45 (3) Section 6, Chapter 642, Acts of the 62nd
46 Legislature, Regular Session, 1971, provides for
47 directors to be elected or appointed and to serve for
48 the term and in the manner provided by Chapter 54,

1 Water Code. Chapter 715, Acts of the 74th Legislature,
2 Regular Session, 1995, repealed the relevant
3 provisions of Chapter 54 and enacted similar
4 provisions in Chapter 49, Water Code, including
5 Section 49.103, which governs the terms of office and
6 manner of election of directors of a municipal utility
7 district that is required by law to elect its
8 directors. The revised law omits any reference to
9 Chapter 49, Water Code, because Chapter 49 applies to
10 the district under Sections 49.001 and 49.002 of that
11 chapter. The revised law also omits "appointed"
12 because it is clear from the context of Section 6 that
13 the reference applies only to directors appointed to
14 fill vacancies as provided by Chapter 49, Water Code.
15 The omitted law reads:

16 Sec. 6. . . . [Succeeding directors
17 shall be elected or] appointed and shall
18 serve for the term and in the manner
19 provided by Chapter 54, Title 4, Water Code.

20 [Sections 8276.052-8276.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Revised Law

23 Sec. 8276.101. MUNICIPAL UTILITY DISTRICT POWERS. The
24 district has the rights, powers, privileges, and functions
25 conferred by general law applicable to a municipal utility
26 district, including Chapters 49 and 54, Water Code. (Acts 62nd
27 Leg., R.S., Ch. 642, Sec. 5 (part); New.)

28 Source Law

29 Sec. 5. The district is hereby vested with, and
30 shall have and exercise, all of the rights, powers,
31 privileges, authority and functions conferred by the
32 general laws of this state applicable to municipal
33 utility districts, including without limitation those
34 conferred by Chapter 54, Title 4, Water Code, but
35

36 Revisor's Note

37 (1) Section 5, Chapter 642, Acts of the 62nd
38 Legislature, Regular Session, 1971, provides that the
39 district "is hereby vested with, and shall have and

1 exercise" certain powers. The revised law substitutes
2 "has" for the quoted language because, in context, the
3 terms are synonymous and "has" is more commonly used.

4 (2) Section 5, Chapter 642, Acts of the 62nd
5 Legislature, Regular Session, 1971, refers to the
6 "rights, powers, privileges, [and] authority" of the
7 district. The revised law omits the reference to
8 "authority" because, in context, "authority" is
9 included in the meaning of "rights, powers, [and]
10 privileges."

11 (3) Section 5, Chapter 642, Acts of the 62nd
12 Legislature, Regular Session, 1971, grants the
13 district certain powers, "including without
14 limitation those conferred by Chapter 54, Title 4,
15 Water Code." The revised law omits "without
16 limitation" because Section 311.005(13), Government
17 Code (Code Construction Act), provides that "includes"
18 and "including" are terms of enlargement and not of
19 limitation and do not create a presumption that
20 components not expressed are excluded.

21 (4) Section 5, Chapter 642, Acts of the 62nd
22 Legislature, Regular Session, 1971, refers to Chapter
23 54, Water Code. For the reader's convenience, the
24 revised law adds a reference to Chapter 49, Water Code,
25 because Chapter 715, Acts of the 74th Legislature,
26 Regular Session, 1995, repealed many provisions of
27 Chapter 54 and enacted similar provisions in Chapter
28 49, Water Code, which applies to the district under
29 Sections 49.001 and 49.002 of that chapter.

30 (5) Section 5, Chapter 642, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 act prevails over general law in case of a conflict or
33 other inconsistency and that all general laws
34 applicable to municipal utility districts not in

1 conflict or inconsistent with the provisions of the
2 act are adopted and incorporated by reference. The
3 revised law omits the portion of the provision
4 relating to the act prevailing over general law
5 because it duplicates in substance Section 311.026(b),
6 Government Code (Code Construction Act). The revised
7 law omits the portion of the provision relating to
8 adoption and incorporation of general laws because
9 Section 5 of Chapter 642 (revised as this section)
10 already provides that those laws apply to the
11 district, and it is unnecessary to repeat that
12 authority. The omitted law reads:

13 Sec. 5. . . . if any provision of
14 such general laws shall be in conflict or
15 inconsistent with the provisions of this
16 Act, the provisions of this Act shall
17 prevail. All such general laws applicable
18 to municipal utility districts not in
19 conflict or inconsistent with the
20 provisions of this Act are hereby adopted
21 and incorporated by reference with the same
22 effect as if copied in full in this Act.

23 Revisor's Note
24 (End of Chapter)

25 (1) Section 7, Chapter 642, Acts of the 62nd
26 Legislature, Regular Session, 1971, contains
27 legislative findings relating to the performance of
28 the requirements of Section 59(d), Article XVI, Texas
29 Constitution, and to the authority of the legislature
30 to enact that chapter. The revised law omits the
31 provision as executed. The omitted law reads:

32 Sec. 7. The Legislature specifically
33 finds and declares that the requirements of
34 Article XVI, Section 59(d) of the
35 Constitution of Texas have been performed
36 and accomplished in due course and time and
37 order, and that the Legislature has the
38 power and authority to enact this Act.

39 (2) Section 8, Chapter 642, Acts of the 62nd
40 Legislature, Regular Session, 1971, provides that the
41 act is severable. The revised law omits that provision
42 because it duplicates Section 311.032, Government Code

1 (Code Construction Act), which provides that a
2 provision of a statute is severable from each other
3 provision of the statute that can be given effect. The
4 omitted law reads:

5 Sec. 8. If any word, phrase, clause,
6 paragraph, sentence, part, portion or
7 provision of this Act or the application
8 thereof to any persons or circumstances
9 shall be held to be invalid or
10 unconstitutional, the remainder of the Act
11 shall nevertheless be valid and the
12 Legislature hereby declares that this Act
13 would have been enacted without such
14 invalid or unconstitutional word, phrase,
15 clause, paragraph, sentence, part, portion
16 or provision.

17 CHAPTER 8277. HARRIS COUNTY UTILITY DISTRICT NO. 16

18 SUBCHAPTER A. GENERAL PROVISIONS

19 Sec. 8277.001. DEFINITIONS 1606
20 Sec. 8277.002. NATURE OF DISTRICT 1607
21 Sec. 8277.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1608
22 Sec. 8277.004. DISTRICT TERRITORY 1609

23 [Sections 8277.005-8277.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 8277.051. COMPOSITION OF BOARD 1610

26 [Sections 8277.052-8277.100 reserved for expansion]

27 SUBCHAPTER C. POWERS AND DUTIES

28 Sec. 8277.101. MUNICIPAL UTILITY DISTRICT POWERS 1612

29 CHAPTER 8277. HARRIS COUNTY UTILITY DISTRICT NO. 16

30 SUBCHAPTER A. GENERAL PROVISIONS

31 Revised Law

32 Sec. 8277.001. DEFINITIONS. In this chapter:

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

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

35 (3) "District" means the Harris County Utility
36 District No. 16. (Acts 62nd Leg., R.S., Ch. 437, Sec. 1 (part);
37 New.)

38 Source Law

39 Sec. 1. . . . [a . . . district . . .] to be
40 known as "Harris County Utility District No. 16,"
41 hereinafter called the "district,"

1 Revisor's Note

2 The definitions of "board" and "director" are
3 added to the revised law for drafting convenience and
4 to eliminate frequent, unnecessary repetition of the
5 substance of the definitions.

6 Revised Law

7 Sec. 8277.002. NATURE OF DISTRICT. The district is a
8 conservation and reclamation district in Harris County created
9 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
10 R.S., Ch. 437, Sec. 1 (part).)

11 Source Law

12 Sec. 1. . . . there is hereby created and
13 established, under and pursuant to the provisions of
14 Article XVI, Section 59 of the Constitution of Texas, a
15 conservation and reclamation district in Harris
16 County, Texas, . . . which shall be a governmental
17 agency and a body politic and corporate. . . .

18 Revisor's Note

19 (1) Section 1, Chapter 437, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that the
21 district is "created and established." The revised
22 law omits "established" because the meaning of that
23 word is included in the meaning of "created."

24 (2) Section 1, Chapter 437, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that the
26 district is created notwithstanding certain laws
27 related to consent. The revised law omits that
28 provision as executed because the district has been
29 created. The omitted law reads:

30 Sec. 1. Notwithstanding provisions
31 of the general laws relating to consent by
32 political subdivisions for the creation of
33 conservation and reclamation districts,
34 [there is hereby created . . . a
35 conservation and reclamation district]
36

37 (3) Section 1, Chapter 437, Acts of the 62nd
38 Legislature, Regular Session, 1971, refers to the
39 district as "a governmental agency and a body politic
40 and corporate." The revised law omits the quoted

1 language because it duplicates a portion of Section
2 59(b), Article XVI, Texas Constitution, which provides
3 that a conservation and reclamation district is a
4 governmental agency and a body politic and corporate.

5 Revised Law

6 Sec. 8277.003. 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 boundaries
9 of the district will benefit from the works and projects
10 accomplished by the district under the powers conferred by Section
11 59, Article XVI, 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 62nd Leg., R.S., Ch. 437, Secs. 1 (part), 3.)

15 Source Law

16 Sec. 1. . . . The creation and establishment of
17 the district is hereby declared to be essential to the
18 accomplishment of the purposes of Article XVI, Section
19 59 of the Constitution of Texas.

20 Sec. 3. It is determined and found that all of
21 the land and other property included within the area
22 and boundaries of the district will be benefited by the
23 works and project which are to be accomplished by the
24 district pursuant to the powers conferred by the
25 provisions of Article XVI, Section 59 of the
26 Constitution of Texas, and that said district is
27 created to serve a public use and benefit.

28 Revisor's Note

29 (1) Section 1, Chapter 437, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 "creation and establishment" of the district are
32 essential to accomplish the purposes of Section 59,
33 Article XVI, Texas Constitution. The revised law
34 omits "establishment" because its meaning is included
35 in the meaning of "creation."

36 (2) Section 3, Chapter 437, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to land and
38 other property included within the "area and
39 boundaries of the district." The revised law omits the

1 reference to "area" because, in context, "area" is
2 included in the meaning of "boundaries."

3 Revised Law

4 Sec. 8277.004. DISTRICT TERRITORY. (a) The district is
5 composed of the territory described by Section 4, Chapter 437, Acts
6 of the 62nd Legislature, Regular Session, 1971, as that territory
7 may have been modified under:

- 8 (1) Subchapter H, Chapter 54, Water Code;
9 (2) Subchapter J, Chapter 49, Water Code; or
10 (3) other law.

11 (b) The boundaries and field notes of the district form a
12 closure. A mistake in copying the field notes in the legislative
13 process or another mistake in the field notes does not affect:

- 14 (1) the district's organization, existence, or
15 validity;
16 (2) the district's right to issue any type of bond for
17 a purpose for which the district is created or to pay the principal
18 of and interest on the bond;
19 (3) the district's right to impose a tax; or
20 (4) the legality or operation of the district or its
21 governing body. (Acts 62nd Leg., R.S., Ch. 437, Sec. 2; New.)

22 Source Law

23 Sec. 2. It is determined and found that the
24 boundaries and field notes of the district form a
25 closure. If any mistake is made in copying the field
26 notes in the legislative process or otherwise a
27 mistake is made in the field notes, it shall in no way
28 affect the organization, existence and validity of the
29 district, or the right of the district to issue any
30 type of bonds or refunding bonds for the purposes for
31 which the district is created or to pay the principal
32 and interest thereon, or the right to assess, levy and
33 collect taxes, or in any other manner affect the
34 legality or operation of the district or its governing
35 body.

36 Revisor's Note

37 (1) The revision of the law governing the
38 district does not revise the statutory language
39 describing the territory of the district to avoid the
40 lengthy recitation of the description and because that

1 description may not be accurate on the effective date
2 of the revision or at the time of a later reading. For
3 the reader's convenience, the revised law includes
4 references to the statutory description of the
5 district's territory and to the authority to change the
6 district's territory under Subchapter H, Chapter 54,
7 Water Code, applicable to municipal utility districts,
8 and under Subchapter J, Chapter 49, Water Code,
9 applicable to the district under Sections 49.001 and
10 49.002 of that chapter. The revised law also includes
11 a reference to the general authority of the
12 legislature to enact a law to change the district's
13 territory.

14 (2) Section 2, Chapter 437, Acts of the 62nd
15 Legislature, Regular Session, 1971, provides that a
16 mistake in the description of the district boundaries
17 does not affect the right of the district to issue "any
18 type of bonds or refunding bonds." The revised law
19 omits the reference to "refunding bonds" because
20 refunding bonds are included in the meaning of "any
21 type of bonds."

22 (3) Section 2, Chapter 437, Acts of the 62nd
23 Legislature, Regular Session, 1971, refers to the
24 district's authority to "assess, levy and collect"
25 taxes. The revised law substitutes "impose" for
26 "assess, levy and collect" because "impose" is the
27 term generally used in Title 1, Tax Code, and includes
28 the assessment, levy, and collection of a tax.

29 [Sections 8277.005-8277.050 reserved for expansion]

30 SUBCHAPTER B. BOARD OF DIRECTORS

31 Revised Law

32 Sec. 8277.051. COMPOSITION OF BOARD. The board of
33 directors is composed of five elected directors. (Acts 62nd Leg.,
34 R.S., Ch. 437, Sec. 6 (part).)

1 Source Law

2 Sec. 6. . . . Succeeding directors shall be
3 elected or

4 Revisor's Note

5 (1) Section 6, Chapter 437, Acts of the 62nd
6 Legislature, Regular Session, 1971, refers to the
7 initial board of directors and to vacancy procedures.
8 The revised law omits the language relating to the
9 creation of the initial board as executed. The revised
10 law omits the language relating to vacancy procedures
11 for the initial board as executed and, to the extent
12 the language may apply to subsequently appointed
13 directors, because it duplicates in substance Section
14 49.105(c), Water Code. That section applies to the
15 district under Sections 49.001 and 49.002, Water Code.
16 The omitted law reads:

17 Sec. 6. Immediately after this Act
18 becomes effective, the following named
19 persons shall be the directors of the
20 district and shall constitute the board of
21 directors of the district:

22 Monte Lord
23 Sherrill Leatherwood
24 Tom Fatjo
25 Sonny Wallace
26 Wayne Wickman

27 Said persons shall qualify to serve as
28 directors prior to the first meeting of the
29 board of directors. Should any of the above
30 named directors fail to qualify for any
31 reason, the remaining named directors shall
32 appoint someone to fill such vacancy or
33 vacancies; provided, however, that if at
34 any time the number of qualified directors
35 shall be less than three because of the
36 failure or refusal of one or more directors
37 to qualify or serve or because of his or
38 their death or incapacitation, or for any
39 such other reason, the Texas Water Rights
40 Commission shall appoint the necessary
41 number of directors to fill all vacancies on
42 the board. The directors above named or
43 their duly appointed and qualified
44 successor or successors shall serve until
45 the second Saturday in January, 1973. . . .

46 (2) Section 6, Chapter 437, Acts of the 62nd
47 Legislature, Regular Session, 1971, refers to
48 "[s]ucceeding directors" to distinguish the
49 succeeding directors from the initial directors named

1 in that section. The revised law substitutes "five"
2 for "succeeding" to conform to the number of directors
3 listed in Section 6 (establishing the initial board).

4 (3) Section 6, Chapter 437, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides for
6 directors to be elected or appointed and to serve for
7 the term and in the manner provided by Chapter 54,
8 Water Code. Chapter 715, Acts of the 74th Legislature,
9 Regular Session, 1995, repealed the relevant
10 provisions of Chapter 54 and enacted similar
11 provisions in Chapter 49, Water Code, including
12 Section 49.103, which governs the terms of office and
13 manner of election of directors of a municipal utility
14 district that is required by law to elect its
15 directors. The revised law omits any reference to
16 Chapter 49, Water Code, because Chapter 49 applies to
17 the district under Sections 49.001 and 49.002 of that
18 chapter. The revised law also omits "appointed"
19 because it is clear from the context of Section 6 that
20 the reference applies only to directors appointed to
21 fill vacancies as provided by Chapter 49, Water Code.
22 The omitted law reads:

23 Sec. 6. . . . [Succeeding directors
24 shall be elected or] appointed and shall
25 serve for the term and in the manner
26 provided by Chapter 54, Title 4, Water Code.

27 [Sections 8277.052-8277.100 reserved for expansion]

28 SUBCHAPTER C. POWERS AND DUTIES

29 Revised Law

30 Sec. 8277.101. MUNICIPAL UTILITY DISTRICT POWERS. The
31 district has the rights, powers, privileges, and functions
32 conferred by general law applicable to a municipal utility
33 district, including Chapters 49 and 54, Water Code. (Acts 62nd
34 Leg., R.S., Ch. 437, Sec. 5 (part); New.)

35 Source Law

36 Sec. 5. The district is hereby vested with, and

1 shall have and exercise, all of the rights, powers,
2 privileges, authority and functions conferred by the
3 general laws of this state applicable to municipal
4 utility districts, including without limitation those
5 conferred by Chapter 54, Title 4, Water Code, but
6

7 Revisor's Note

8 (1) Section 5, Chapter 437, Acts of the 62nd
9 Legislature, Regular Session, 1971, provides that the
10 district "is hereby vested with, and shall have and
11 exercise," certain powers. The revised law
12 substitutes "has" for the quoted language because, in
13 context, the terms are synonymous and "has" is more
14 commonly used.

15 (2) Section 5, Chapter 437, Acts of the 62nd
16 Legislature, Regular Session, 1971, refers to the
17 "rights, powers, privileges, [and] authority" of the
18 district. The revised law omits the reference to
19 "authority" because, in context, "authority" is
20 included in the meaning of "rights, powers, [and]
21 privileges."

22 (3) Section 5, Chapter 437, Acts of the 62nd
23 Legislature, Regular Session, 1971, grants the
24 district certain powers, "including without
25 limitation those conferred by Chapter 54, Title 4,
26 Water Code." The revised law omits "without
27 limitation" because Section 311.005(13), Government
28 Code (Code Construction Act), provides that "includes"
29 and "including" are terms of enlargement and not of
30 limitation and do not create a presumption that
31 components not expressed are excluded.

32 (4) Section 5, Chapter 437, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to Chapter
34 54, Water Code. For the reader's convenience, the
35 revised law adds a reference to Chapter 49, Water Code,
36 because Chapter 715, Acts of the 74th Legislature,
37 Regular Session, 1995, repealed many provisions of

1 Chapter 54 and enacted similar provisions in Chapter
2 49, Water Code, which applies to the district under
3 Sections 49.001 and 49.002 of that chapter.

4 (5) Section 5, Chapter 437, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides that the
6 act prevails over general law in case of a conflict or
7 other inconsistency and that all general laws
8 applicable to municipal utility districts not in
9 conflict or inconsistent with the provisions of the
10 act are adopted and incorporated by reference. The
11 revised law omits the portion of the provision
12 relating to the act prevailing over general law
13 because it duplicates in substance Section 311.026(b),
14 Government Code (Code Construction Act). The revised
15 law omits the portion of the provision relating to
16 adoption and incorporation of general laws because
17 Section 5 of Chapter 437 (revised as this section)
18 already provides that those laws apply to the
19 district, and it is unnecessary to repeat that
20 authority. The omitted law reads:

21 Sec. 5. . . . if any provision of
22 such general laws shall be in conflict or
23 inconsistent with the provisions of this
24 Act, the provisions of this Act shall
25 prevail. All such general laws applicable
26 to municipal utility districts not in
27 conflict or inconsistent with the
28 provisions of this Act are hereby adopted
29 and incorporated by reference with the same
30 effect as if copied in full in this Act.

31 Revisor's Note
32 (End of Chapter)

33 (1) Section 7, Chapter 437, Acts of the 62nd
34 Legislature, Regular Session, 1971, contains
35 legislative findings relating to the performance of
36 the requirements of Section 59(d), Article XVI, Texas
37 Constitution, and to the authority of the legislature
38 to enact that chapter. The revised law omits the
39 provision as executed. The omitted law reads:

1 Sec. 7. The Legislature specifically
2 finds and declares that the requirements of
3 Article XVI, Section 59(d) of the
4 Constitution of Texas have been performed
5 and accomplished in due course and time and
6 order, and that the Legislature has the
7 power and authority to enact this Act.

8 (2) Section 8, Chapter 437, Acts of the 62nd
9 Legislature, Regular Session, 1971, provides that the
10 act is severable. The revised law omits that provision
11 because it duplicates Section 311.032, Government Code
12 (Code Construction Act), which provides that a
13 provision of a statute is severable from each other
14 provision of the statute that can be given effect. The
15 omitted law reads:

16 Sec. 8. If any word, phrase, clause,
17 paragraph, sentence, part, portion or
18 provision of this Act or the application
19 thereof to any persons or circumstances
20 shall be held to be invalid or
21 unconstitutional, the remainder of the Act
22 shall nevertheless be valid and the
23 Legislature hereby declares that this Act
24 would have been enacted without such
25 invalid or unconstitutional word, phrase,
26 clause, paragraph, sentence, part, portion
27 or provision.

28 CHAPTER 8278. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT

29 NO. 132 OF HARRIS COUNTY, TEXAS

30 SUBCHAPTER A. GENERAL PROVISIONS

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37 [Sections 8278.007-8278.050 reserved for expansion]

38 SUBCHAPTER B. DISTRICT ADMINISTRATION

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1 [Sections 8278.056-8278.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

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6 Sec. 8278.104. COST OF RELOCATING OR ALTERING PROPERTY . . . 1641

7 Sec. 8278.105. NOTICE OF ELECTION 1642

8 [Sections 8278.106-8278.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 8278.151. TAX METHOD 1642

11 Sec. 8278.152. DISTRICT ACCOUNTS 1643

12 Sec. 8278.153. FISCAL YEAR 1643

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14 Sec. 8278.155. PAYMENT OF TAX OR ASSESSMENT NOT

15 REQUIRED 1646

16 Sec. 8278.156. DEPOSITORY 1646

17 [Sections 8278.157-8278.200 reserved for expansion]

18 SUBCHAPTER E. BONDS

19 Sec. 8278.201. AUTHORITY TO ISSUE BONDS 1647

20 Sec. 8278.202. LOST OR MUTILATED BONDS 1647

21 Sec. 8278.203. USE OF BOND PROCEEDS DURING

22 CONSTRUCTION 1647

23 Sec. 8278.204. REFUNDING BONDS 1648

24 CHAPTER 8278. HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT

25 NO. 132 OF HARRIS COUNTY, TEXAS

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Revised Law

28 Sec. 8278.001. DEFINITIONS. In this chapter:

29 (1) "Board" means the board of directors of the

30 district.

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

32 (3) "District" means the Harris County Water Control

33 and Improvement District No. 132 of Harris County, Texas. (Acts

34 61st Leg., R.S., Ch. 144, Sec. 1 (part); New.)

1 Source Law

2 Sec. 1. . . . [a . . . district . . .] to be
3 known as Harris County Water Control and Improvement
4 District No. 132 of Harris County, Texas, hereinafter
5 called the "district,"

6 Revisor's Note

7 The definitions of "board" and "director" are
8 added to the revised law for drafting convenience and
9 to eliminate frequent, unnecessary repetition of the
10 substance of the definitions.

11 Revised Law

12 Sec. 8278.002. NATURE OF DISTRICT. The district is a
13 municipal utility district and a conservation and reclamation
14 district in Harris County created under Section 59, Article XVI,
15 Texas Constitution. (Acts 61st Leg., R.S., Ch. 144, Sec. 1 (part);
16 New.)

17 Source Law

18 Sec. 1. Under and pursuant to the provisions of
19 Article XVI, Section 59 of the Constitution of Texas, a
20 conservation and reclamation district is hereby
21 created and established in Harris County, Texas, . . .
22 which shall be a governmental agency and a body politic
23 and corporate. . . .

24 Revisor's Note

25 (1) Section 1, Chapter 144, Acts of the 61st
26 Legislature, Regular Session, 1969, provides that the
27 district is "created and established" in Harris
28 County, Texas. The revised law omits "established"
29 because the meaning of that word is included in the
30 meaning of "created."

31 (2) Section 1, Chapter 144, Acts of the 61st
32 Legislature, Regular Session, 1969, refers to the
33 district as "a governmental agency and a body politic
34 and corporate." The revised law omits those
35 references because they duplicate a portion of Section
36 59(b), Article XVI, Texas Constitution, which provides
37 that a conservation and reclamation district is a
38 governmental agency and a body politic and corporate.

1 (3) The revised law adds a reference to the
2 district as a "municipal utility district" because the
3 district was converted from a water control and
4 improvement district to a municipal utility district
5 on March 7, 1977, by order of the Texas Water Rights
6 Commission. See Sections 54.030-54.036, Water Code.
7 That order expressly states that the district does not
8 "retain any of the provisions of the Code under which
9 it has been operating" (Chapter 51, Water Code). Under
10 both that order and Section 54.034, Water Code, the
11 district now operates under Chapter 54, Water Code.
12 Throughout this chapter, references to water control
13 and improvement districts and references to Chapter
14 51, Water Code (the chapter on water control and
15 improvement districts), have been revised to reflect
16 the district's conversion. In addition, as indicated
17 throughout this chapter, the revised law omits law
18 that is superseded by Chapter 54, Water Code, or that
19 duplicates law contained in that chapter.

20 Revised Law

21 Sec. 8278.003. 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
28 the purposes of Section 59, Article XVI, Texas Constitution.

29 (d) The accomplishment of the purposes stated in this
30 chapter is for the benefit of the people of this state and for the
31 improvement of their property and industries. The district in
32 carrying out the purposes of this chapter will be performing an
33 essential public function under the Texas Constitution. (Acts 61st
34 Leg., R.S., Ch. 144, Secs. 1 (part), 4, 22 (part).)

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Source Law

Sec. 1. . . . The creation and establishment of the district is hereby declared to be essential to the accomplishment of the purposes of Article XVI, Section 59 of the Constitution of Texas.

Sec. 4. It is determined and found that all of the land and other property included within the boundaries of the district will be benefited by the works and project which are to be accomplished by the district pursuant to the powers conferred by the provisions of Article XVI, Section 59 of the Constitution of Texas, and that said District was and is created to serve a public use and benefit.

Sec. 22. The accomplishment of the purposes stated in this Act being for the benefit of the people of this state and for the improvement of their properties and industries, the district in carrying out the purposes of this Act will be performing an essential public function under the Constitution, and

Revisor's Note

Section 1, Chapter 144, Acts of the 61st Legislature, Regular Session, 1969, states that the "creation and establishment" of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. The revised law omits "establishment" because its meaning is included in the meaning of "creation."

Revised Law

Sec. 8278.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 144, Acts of the 61st Legislature, Regular Session, 1969, as that territory may have been modified under:

- (1) Subchapter H, Chapter 54, Water Code;
- (2) Subchapter J, Chapter 49, Water Code;
- (3) Section 9, Chapter 144, Acts of the 61st Legislature, Regular Session, 1969; or
- (4) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

- (1) the district's organization, existence, or

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 the
7 board. (Acts 61st Leg., R.S., Ch. 144, Sec. 3; New.)

8 Source Law

9 Sec. 3. It is determined and found that the
10 boundaries and field notes of the district form a
11 closure; and if any mistake is made in copying the
12 field notes in the legislative process, or otherwise a
13 mistake is made in the field notes, it shall in no way
14 affect the organization, existence and validity of the
15 district, or the right of the district to issue any
16 type of bonds or refunding bonds for the purposes for
17 which the district is created, or to pay the principal
18 and interest thereon, or the right to assess, levy and
19 collect taxes, or in any other manner affect the
20 legality or operation of the district or its governing
21 body.

22 Revisor's Note

23 (1) The revision of the law governing the
24 district does not revise the statutory language
25 describing the territory of the district to avoid the
26 lengthy recitation of the description and because that
27 description may not be accurate on the effective date
28 of the revision or at the time of a later reading. For
29 the reader's convenience, the revised law includes a
30 reference to the statutory description of the
31 district's territory and references to authority to
32 change the district's territory, including: (1)
33 Subchapter H, Chapter 54, Water Code, applicable to
34 the district after the district was converted to a
35 municipal utility district governed by Chapter 54 of
36 that code (see Sections 54.030-54.036 of that code and
37 Revisor's Note (3) to Section 8278.002); (2)
38 Subchapter J, Chapter 49, Water Code, applicable to
39 the district under Sections 49.001 and 49.002 of that
40 chapter; and (3) Section 9, Chapter 144, Acts of the

1 61st Legislature, Regular Session, 1969. The revised
2 law also includes a reference to the general authority
3 of the legislature to enact other laws to change the
4 district's territory.

5 (2) Section 3, Chapter 144, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that a
7 mistake does not affect the right of the district to
8 issue "any type of bonds or refunding bonds." The
9 revised law omits the reference to "refunding bonds"
10 because refunding bonds are included in the meaning of
11 "any type of bonds."

12 (3) Section 3, Chapter 144, Acts of the 61st
13 Legislature, Regular Session, 1969, refers to the
14 district's right to "assess, levy and collect" a tax.
15 Throughout this chapter, the revised law substitutes
16 "impose" for "levy" or "assess, levy and collect"
17 because "impose" is the term generally used in Title 1,
18 Tax Code, and includes the assessment, levying, and
19 collection of a tax.

20 Revised Law

21 Sec. 8278.005. EXPANSION OF DISTRICT. (a) If land is
22 annexed to the district under Section 49.301, Water Code, the board
23 may require the petitioners to:

24 (1) assume the petitioners' pro rata share of the voted
25 but unissued bonds of the district; and

26 (2) authorize the board to impose a tax on the
27 petitioners' property to pay for the bonds after the bonds have been
28 issued.

29 (b) If land is annexed to the district under Section 49.302,
30 Water Code, the board may submit to the voters of the area to be
31 annexed a proposition on the question of the assumption by the area
32 to be annexed of its part of the voted but not yet issued or sold tax
33 or tax-revenue bonds of the district and the imposition of an ad
34 valorem tax on taxable property in the area to be annexed along with

1 a tax in the rest of the district for the payment of the bonds.

2 (c) If the petitioners consent or if the election results
3 favorably, the district may issue its voted but unissued tax or
4 tax-revenue bonds regardless of changes to district boundaries
5 since the original voting or authorization of the bonds. (Acts 61st
6 Leg., R.S., Ch. 144, Sec. 9.)

7 Source Law

8 Sec. 9. Land may be added to or annexed to the
9 district in the manner now or hereafter provided by
10 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
11 as amended; provided, however, that the board of
12 directors may require the petitioners, if land is
13 being added in the manner provided by Article
14 7880--75, Vernon's Texas Civil Statutes, to assume
15 their pro rata share of the voted but unissued bonds of
16 the district and authorize the board to levy a tax on
17 their property in payment for such unissued bonds,
18 when issued, or if land is being annexed in the manner
19 provided by Article 7880--75b, Vernon's Texas Civil
20 Statutes, the board may also submit a proposition to
21 the property taxpaying voters of the area to be annexed
22 on the question of the assumption by the area to be
23 annexed of its part of the tax or tax-revenue bonds of
24 the district theretofore voted but not yet issued or
25 sold and the levy of an ad valorem tax on all taxable
26 property within the area to be annexed along with the
27 tax in the rest of the district for the payment
28 thereof. If the petitioners consent or if the election
29 results favorably, the district shall be authorized to
30 issue its voted but unissued tax or tax-revenue bonds
31 even though the boundaries of the district have been
32 changed since the voting or authorization of such
33 bonds.

34 Revisor's Note

35 (1) Section 9, Chapter 144, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that the
37 district may add or annex land in the manner provided
38 by Chapter 3A, Title 128, Vernon's Texas Civil
39 Statutes. The revised law omits that provision as
40 unnecessary. The relevant provisions of that statute
41 were codified by Chapter 58, Acts of the 62nd
42 Legislature, Regular Session, 1971, as Subchapter O,
43 Chapter 51, Water Code. After the district converted
44 to a municipal utility district in 1977, that
45 subchapter no longer applied to the district and
46 Subchapter H, Chapter 54, Water Code, applied instead,
47 as described by Revisor's Note (3) to Section 8278.002.

1 Chapter 715, Acts of the 74th Legislature, Regular
2 Session, 1995, repealed some of the relevant
3 provisions of Subchapter H, Chapter 54, Water Code,
4 and enacted Subchapter J, Chapter 49, Water Code, to
5 govern the addition of land to a municipal utility
6 district and certain other districts. Subchapter J,
7 Chapter 49, Water Code, applies to the district
8 without an express reference to Subchapter J by this
9 chapter. The remaining relevant provisions of
10 Subchapter H, Chapter 54, Water Code, apply to the
11 district under Section 54.034, Water Code, without an
12 express reference to those sections by this chapter.

13 (2) Section 9, Chapter 144, Acts of the 61st
14 Legislature, Regular Session, 1969, refers to Article
15 7880--75, Vernon's Texas Civil Statutes. Article
16 7880--75 was codified by Chapter 58, Acts of the 62nd
17 Legislature, Regular Session, 1971, as Sections
18 51.714-51.717, Water Code, relating to the addition of
19 land to a water control and improvement district by the
20 petition of the landowner. After the district
21 converted to a municipal utility district in 1977,
22 those sections no longer applied to the district.
23 Instead, Sections 54.711-54.715, Water Code, applied
24 to the district under Section 54.034 of that code. See
25 Revisor's Note (3) to Section 8278.002. Chapter 715,
26 Acts of the 74th Legislature, Regular Session, 1995,
27 repealed Sections 54.711-54.715, Water Code, and
28 enacted Section 49.301, Water Code, to govern the
29 addition of land to a municipal utility district by the
30 petition of the landowner. The revised law is drafted
31 accordingly.

32 (3) Section 9, Chapter 144, Acts of the 61st
33 Legislature, Regular Session, 1969, refers to Article
34 7880--75b, Vernon's Texas Civil Statutes. Article

1 7880--75b was codified by Chapter 58, Acts of the 62nd
2 Legislature, Regular Session, 1971, as Sections
3 51.718-51.724, Water Code, relating to the addition of
4 land to a water control and improvement district by the
5 petition of less than all the landowners. After the
6 district converted to a municipal utility district in
7 1977, those sections no longer applied to the
8 district. Instead, Sections 54.716-54.726, Water
9 Code, applied to the district under Section 54.034 of
10 that code. See Revisor's Note (3) to Section 8278.002.
11 Chapter 715, Acts of the 74th Legislature, Regular
12 Session, 1995, repealed Sections 54.716-54.726, Water
13 Code, and enacted Section 49.302, Water Code, to
14 govern the addition of land to a municipal utility
15 district by the petition of less than all the
16 landowners. The revised law is drafted accordingly.

17 (4) Section 9, Chapter 144, Acts of the 61st
18 Legislature, Regular Session, 1969, refers to
19 "property taxpaying voters." The revised law omits
20 the reference to "property taxpaying" because in Hill
21 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the
22 United States Supreme Court determined that property
23 ownership as a qualification for voting is an
24 unconstitutional denial of equal protection.

25 Revised Law

26 Sec. 8278.006. STATE POLICY REGARDING WASTE DISPOSAL. The
27 district's powers and duties are subject to the state policy of
28 encouraging the development and use of integrated area-wide waste
29 collection, treatment, and disposal systems to serve the waste
30 disposal needs of this state's residents, if integrated systems can
31 reasonably be provided for an area, so as to avoid the economic
32 burden on residents and the effect on state water quality caused by
33 the construction and operation of numerous small waste collection,
34 treatment, and disposal facilities. (Acts 61st Leg., R.S., Ch.

1 144, Sec. 5 (part).)

2 Source Law

3 Sec. 5. . . .
4 The powers and duties conferred on the district
5 are granted subject to the policy of the state to
6 encourage the development and use of integrated
7 area-wide waste collection, treatment and disposal
8 systems to serve the waste disposal needs of the
9 citizens of the state, it being an objective of the
10 policy to avoid the economical burden to the people and
11 the impact on the quality of the waters in the state
12 which result from the construction and operation of
13 numerous small waste collection, treatment and
14 disposal facilities to serve an area when an
15 integrated area-wide waste collection, treatment and
16 disposal system for the area can be reasonably
17 provided.

18 Revisor's Note

19 Section 5, Chapter 144, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to
21 "citizens" of the state. The revised law substitutes
22 "residents" for "citizens" because, in the context of
23 this section, "citizens" and "residents" are
24 synonymous and "residents" is more commonly used.

25 Revisor's Note
26 (End of Subchapter)

27 (1) Section 5, Chapter 144, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that the
29 act prevails over any general law that applies to water
30 control and improvement districts and that is in
31 conflict or inconsistent with the act. The general law
32 applicable to water control and improvement districts
33 no longer applies to the district because the district
34 converted to a municipal utility district. See
35 Revisor's Note (3) to Section 8278.002. The revised
36 law omits the provision rather than codifying the
37 provision and substituting a reference to municipal
38 utility districts for the reference to water control
39 and improvement districts because the provision
40 duplicates, in substance, Section 311.026, Government
41 Code (Code Construction Act). The omitted law reads:

42 Sec. 5. [The district shall have and

1 exercise, and is hereby vested with, all of
2 the rights, powers, privileges, authority
3 and functions conferred and imposed by the
4 general laws of this state now in force or
5 hereafter enacted, applicable to water
6 control and improvement districts created
7 under authority of Article XVI, Section 59
8 of the Constitution of Texas including
9 without limitation those conferred by
10 Chapter 3A, Title 128, Vernon's Texas Civil
11 Statutes;] but to the extent that the
12 provisions of any such general laws may be
13 in conflict or inconsistent with the
14 provisions of this Act, the provisions of
15 this Act shall prevail. . . .

16 (2) Section 5, Chapter 144, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that any
18 general law relating to water control and improvement
19 districts is adopted and incorporated by reference.
20 The general law applicable to water control and
21 improvement districts no longer applies to the
22 district because the district converted to a municipal
23 utility district. See Revisor's Note (3) to Section
24 8278.002. The revised law omits the provision rather
25 than codifying the provision and substituting a
26 reference to municipal utility districts for the
27 reference to water control and improvement districts
28 because it is not necessary to duplicate by means of
29 adoption and incorporation the substance of general
30 laws applicable to the district. The omitted law
31 reads:

32 Sec. 5. . . . All such general laws
33 are hereby adopted and incorporated by
34 reference with the same effect as if
35 incorporated in full in this Act. . . .

36 (3) Section 21, Chapter 144, Acts of the 61st
37 Legislature, Regular Session, 1969, provides that
38 Article 970a, Vernon's Texas Civil Statutes (Municipal
39 Annexation Act), does not apply to the creation of the
40 district. The revised law omits that provision as
41 executed. The omitted law reads:

42 Sec. 21. This district is hereby
43 created notwithstanding any of the
44 provisions of the Municipal Annexation Act,
45 being Article 970a, Vernon's Texas Civil

1 Statutes, as amended, and to the extent of
2 the creation of the district only, said
3 Article 970a shall have no
4 application. . . .

5 (4) Section 21, Chapter 144, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that the
7 district is subject to certain other laws. The revised
8 law omits that provision because the laws cited apply
9 by their own terms. Section 21 refers to Article 970a,
10 Vernon's Texas Civil Statutes (Municipal Annexation
11 Act). In 1987, Article 970a was codified as Chapters
12 42 and 43, Local Government Code, and Section 212.003,
13 Local Government Code. Section 21 also refers to
14 Article 1182c--1, Vernon's Texas Civil Statutes, "as
15 amended." In 1987, Article 1182c--1 was codified as
16 Sections 43.074, 43.075, and 43.081, Local Government
17 Code.

18 The revised law omits "as amended" because, under
19 Section 311.027, Government Code (Code Construction
20 Act), a reference to a statute applies to all
21 reenactments, revisions, or amendments of that
22 statute, unless expressly provided otherwise. The
23 omitted law reads:

24 Sec. 21. . . . In all other respects,
25 the district hereby created is expressly
26 made subject to all provisions of said
27 Article 970a. District shall also be
28 subject to the provisions of Article
29 1182c--1, Vernon's Texas Civil Statutes, as
30 amended.

31 [Sections 8278.007-8278.050 reserved for expansion]

32 SUBCHAPTER B. DISTRICT ADMINISTRATION

33 Revised Law

34 Sec. 8278.051. COMPOSITION OF BOARD. The board consists of
35 five elected directors. (Acts 61st Leg., R.S., Ch. 144, Sec. 10
36 (part).)

37 Source Law

38 Sec. 10. All powers of the district shall be
39 exercised by a board of five directors. . . .
40 Succeeding directors shall be elected or

1 Revisor's Note

2 (1) Section 10, Chapter 144, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that
4 "[a]ll powers of the district shall be exercised by"
5 the board. The revised law omits the quoted language
6 because it duplicates, in substance, provisions of
7 Sections 49.051 and 49.057, Water Code. As indicated
8 throughout this chapter, the revised law omits law
9 that is superseded by Chapter 49, Water Code, or that
10 duplicates law contained in that chapter. Chapter 49,
11 Water Code, applies to the district under Sections
12 49.001 and 49.002 of that chapter.

13 (2) Section 10, Chapter 144, Acts of the 61st
14 Legislature, Regular Session, 1969, refers to
15 "[s]ucceeding directors" to distinguish the
16 succeeding directors from the initial directors named
17 in that section. The revised law omits "succeeding"
18 because all provisions referring to initial directors
19 are omitted as executed and the distinction is no
20 longer required.

21 Revised Law

22 Sec. 8278.052. APPOINTMENT OF TREASURER. The board may
23 appoint the treasurer. (Acts 61st Leg., R.S., Ch. 144, Sec. 10
24 (part).)

25 Source Law

26 Sec. 10. . . . The treasurer may be appointed by
27 the board, and

28 Revised Law

29 Sec. 8278.053. DIRECTOR'S AND TREASURER'S BONDS. (a) Each
30 director shall qualify by giving bond in the amount of \$5,000 for
31 the faithful performance of the director's duties.

32 (b) The treasurer shall give bond in the amount required by
33 the board. The treasurer's bond shall be conditioned on the
34 treasurer's faithful accounting for all money that comes into the
35 treasurer's custody as treasurer of the district. (Acts 61st Leg.,

1 R.S., Ch. 144, Sec. 10 (part).)

2 Source Law

3 Sec. 10. . . . Each director shall qualify by
4 subscribing to the constitutional oath of office and
5 giving bond in the amount of \$5,000 for the faithful
6 performance of his duties. . . . The treasurer . . .
7 shall give bond in such amount as may be required by
8 the board and conditioned that he or it will faithfully
9 account for all money which shall come into his or its
10 custody as treasurer of the district.

11 Revisor's Note

12 (1) Section 10, Chapter 144, Acts of the 61st
13 Legislature, Regular Session, 1969, requires each
14 director to qualify "by subscribing to the
15 constitutional oath of office." The revised law omits
16 the quoted language because it duplicates, in
17 substance, Section 1, Article XVI, Texas Constitution.

18 (2) Section 10, Chapter 144, Acts of the 61st
19 Legislature, Regular Session, 1969, provides that the
20 district shall pay the cost of a director's bond and
21 that the bond shall be approved by the board and
22 recorded in the district office. The revised law omits
23 that provision because it duplicates, in substance,
24 Sections 49.055(c) and (d), Water Code. The omitted
25 law reads:

26 Sec. 10. . . . The cost of such bond
27 shall be paid by the district. . . . The
28 bonds of directors elected or appointed
29 after the directors named below shall be
30 approved by the district's board of
31 directors and shall be recorded in a record
32 kept for that purpose in the office of the
33 district. . . .

34 (3) Section 10, Chapter 144, Acts of the 61st
35 Legislature, Regular Session, 1969, requires each
36 director to give bond and provides that "[s]uch bond"
37 shall be approved by the county judge and filed in the
38 office of the county clerk within which the district is
39 located. That section also provides that the bonds of
40 directors elected or appointed after the initial
41 directors shall be approved by the board and shall be

1 recorded in a record kept for that purpose in the
2 district office. Because the provision requiring
3 directors' bonds to be approved by the county judge and
4 filed in the county clerk's office is followed by a
5 provision requiring bonds of successor directors to be
6 approved by the board and recorded in the district's
7 records, it appears from the context that the
8 provision requiring directors' bonds to be approved by
9 the county judge and filed in the office of the county
10 clerk applies only to the bond of an initial director.
11 Accordingly, the revised law omits that provision as
12 executed. The omitted law reads:

13 Sec. 10. . . . Such bond shall be
14 approved by the county judge and filed in
15 the office of the county clerk within which
16 the district is located. . . .

17 Revised Law

18 Sec. 8278.054. ABSENCE OR INACTION OF BOARD PRESIDENT. (a)
19 When the board president is absent or fails or declines to act, the
20 board vice president shall perform all duties and exercise all
21 power this chapter or general law gives the president.

22 (b) If the board president is absent from a board meeting:

23 (1) the board vice president may sign an order or other
24 action adopted at the meeting; or

25 (2) the board may authorize the president to sign the
26 order or other action. (Acts 61st Leg., R.S., Ch. 144, Sec. 10
27 (part).)

28 Source Law

29 Sec. 10. . . . The vice president shall perform
30 all duties and exercise all power conferred by this Act
31 or the general law upon the president when the
32 president is absent or fails or declines to act. Any
33 order adopted or other action taken at a meeting of the
34 board of directors at which the president is absent may
35 be signed by the vice president, or the board may
36 authorize the president to sign such order or other
37 action. . . .

38 Revised Law

39 Sec. 8278.055. DISTRICT OFFICE. (a) Except as provided by
40 this section, the board shall designate, establish, and maintain a

1 district office as provided by Section 49.062, Water Code.

2 (b) The board may establish a second district office outside
3 the district. If the board establishes a second district office,
4 the board shall give notice of the location of that office by:

5 (1) filing a copy of the board resolution that
6 establishes the location of the office:

7 (A) with the Texas Commission on Environmental
8 Quality; and

9 (B) in the municipal utility district records of
10 the county in which the district is located; and

11 (2) publishing notice of the location of the office in
12 a newspaper of general circulation in the county in which the
13 district is located.

14 (c) A district office that is a private residence, office,
15 or dwelling is a public place for matters relating to the district's
16 business.

17 (d) The board shall provide notice of any change in the
18 location of the district office outside the district in the manner
19 required by Subsection (b). (Acts 61st Leg., R.S., Ch. 144, Sec.
20 15.)

21 Source Law

22 Sec. 15. The board of directors shall
23 designate, establish and maintain a district office as
24 provided by Article 7880--44, Vernon's Texas Civil
25 Statutes, and, in addition, may establish a second
26 district office outside the district. Either or both
27 district offices so established and maintained may be
28 a private residence, office or dwelling in which event
29 such private residence, office or dwelling is hereby
30 declared a public place for matters relating to the
31 district's business.

32 If the board of directors establishes a district
33 office outside the district, it shall give notice of
34 the location of that district office by filing a true
35 copy of its resolution establishing the location of
36 such district office with the Texas Water Rights
37 Commission, by filing a true copy in the Water Control
38 and Improvement District records of the county in
39 which the district is located and also by publishing
40 the location in a newspaper of general circulation in
41 said county.

42 If the location of the district office outside
43 the district is thereafter changed, notice of such
44 change shall be given in the same manner.

1 Revisor's Note

2 (1) Section 15, Chapter 144, Acts of the 61st
3 Legislature, Regular Session, 1969, refers to "Article
4 7880--44, Vernon's Texas Civil Statutes." Article
5 7880--44 was codified by Chapter 58, Acts of the 62nd
6 Legislature, Regular Session, 1971, as Sections 51.094
7 and 51.096, Water Code, relating to the district
8 office and the minutes and records of the district,
9 respectively. After the district converted to a
10 municipal utility district in 1977, those sections no
11 longer applied to the district. See Revisor's Note (3)
12 to Section 8278.002. Chapter 715, Acts of the 74th
13 Legislature, Regular Session, 1995, enacted Section
14 49.062, Water Code, to govern the designation of
15 offices for certain districts, including municipal
16 utility districts. The revised law is drafted
17 accordingly.

18 (2) Section 15, Chapter 144, Acts of the 61st
19 Legislature, Regular Session, 1969, refers to a "true
20 copy" of a document. The revised law omits "true"
21 because a copy, by definition, accurately reflects the
22 content of the original document.

23 (3) Section 15, Chapter 144, Acts of the 61st
24 Legislature, Regular Session, 1969, refers to the
25 "Texas Water Rights Commission." The revised law
26 substitutes "Texas Commission on Environmental
27 Quality" for "Texas Water Rights Commission" to
28 reflect the current name of the agency with the
29 relevant regulatory authority.

30 Revisor's Note
31 (End of Subchapter)

32 (1) Section 10, Chapter 144, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that each
34 director shall serve until the director's successor is
35 elected or appointed and qualified. The revised law

1 omits that provision because Section 17, Article XVI,
2 Texas Constitution, requires an officer in this state
3 to continue to perform the officer's official duties
4 until a successor has qualified. The omitted law
5 reads:

6 Sec. 10. . . . Each director shall
7 serve for his term of office as herein
8 provided, and thereafter until his
9 successor shall be elected or appointed and
10 qualified. . . .

11 (2) Section 10, Chapter 144, Acts of the 61st
12 Legislature, Regular Session, 1969, names the initial
13 directors, requires them to qualify to serve as
14 directors before the first board meeting, provides for
15 filling vacancies in the office of director, and
16 provides that the named directors or their successors
17 shall serve until the second Tuesday in January 1971.
18 The revised law omits as executed the provisions
19 naming the initial directors, requiring them to
20 qualify by a certain time, and specifying the
21 expiration of their terms. Because the provision
22 specifying the procedure for filling vacancies in the
23 office of director is followed by a provision
24 requiring the named initial directors or their
25 successors to serve until a specified date in 1971, it
26 appears from the context that the provision relating
27 to the filling of vacancies also applies only to the
28 initial directors. Accordingly, the revised law also
29 omits that language as executed. The omitted law
30 reads:

31 Sec. 10. . . . Immediately after
32 this Act becomes effective, the following
33 named persons shall be the directors of the
34 district and shall constitute the board of
35 directors of the district:

36 Richard Boughton
37 Kenneth N. Wood
38 C. A. Veltman
39 Betty Dillard
40 Linda S. Wood

41 Said persons shall file their bonds as soon
42 as practicable after the effective date of

1 this Act and shall otherwise be fully
2 qualified to serve as director prior to the
3 first meeting of the board of directors.
4 All vacancies in the office of director
5 shall be filled in the manner provided by
6 Article 7880--38, Vernon's Texas Civil
7 Statutes; provided, however, if at any time
8 the number of qualified directors shall be
9 less than three because of the failure or
10 refusal of one or more directors to qualify
11 or serve, or because of his or their death
12 or incapacitation, or for any other reason,
13 then the county judge of the county in which
14 the district is located shall appoint the
15 necessary number of directors to fill all
16 vacancies on the board. The directors named
17 above or their duly appointed successor or
18 successors shall serve until the second
19 Tuesday in January, 1971. . . .

20 (3) Section 10, Chapter 144, Acts of the 61st
21 Legislature, Regular Session, 1969, provides for
22 directors to be elected or appointed and to serve for
23 the term and in the manner provided by Article
24 7880--37, Vernon's Texas Civil Statutes. Article
25 7880--37 was codified by Chapter 58, Acts of the 62nd
26 Legislature, Regular Session, 1971, as Section 51.073,
27 Water Code. After the district converted to a
28 municipal utility district in 1977, that section no
29 longer applied to the district. Instead, Section
30 54.103, Water Code, applied to the district under
31 Section 54.034 of that code. See Revisor's Note (3) to
32 Section 8278.002. Chapter 715, Acts of the 74th
33 Legislature, Regular Session, 1995, repealed Section
34 54.103, Water Code, and enacted Section 49.103, Water
35 Code, to govern the terms of office and manner of
36 election of directors of a municipal utility district
37 and certain other districts. Section 49.103, Water
38 Code, applies to the district without an express
39 reference to that section by this chapter. The revised
40 law omits "appointed" because it is clear from the
41 context of Section 10 that the reference applies only
42 to directors appointed to fill vacancies as provided
43 by Chapter 49, Water Code. The omitted law reads:

44 Sec. 10. . . . [Succeeding

1 directors shall be elected or] appointed
2 and shall serve for the term and in the
3 manner provided by Article 7880--37,
4 Vernon's Texas Civil Statutes. . . .

5 (4) Section 10, Chapter 144, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that
7 three directors constitute a quorum and that a
8 concurrence of three directors is sufficient in all
9 matters relating to the business of the district,
10 including certain construction matters. The revised
11 law omits that provision because it duplicates, in
12 substance, Section 49.053, Water Code. The omitted
13 law reads:

14 Sec. 10. . . . Three directors shall
15 constitute a quorum of any meeting, and a
16 concurrence of three shall be sufficient in
17 all matters pertaining to the business of
18 the district including the letting of
19 construction contracts and the drawing of
20 warrants in payment for construction work,
21 the purchase of existing facilities, and
22 matters relating to construction
23 work. . . .

24 (5) Section 10, Chapter 144, Acts of the 61st
25 Legislature, Regular Session, 1969, provides for the
26 selection of officers by the board and the powers of
27 the board's president. The revised law omits those
28 provisions because they duplicate, in substance,
29 Section 49.054, Water Code. The omitted law reads:

30 Sec. 10. . . . The board shall
31 select from its number a president, vice
32 president, secretary and such other
33 officers as in the judgment of the board are
34 necessary. The president may execute all
35 contracts, construction or otherwise,
36 entered into by the board of directors on
37 behalf of the district. . . .

38 [Sections 8278.056-8278.100 reserved for expansion]

39 SUBCHAPTER C. POWERS AND DUTIES

40 Revised Law

41 Sec. 8278.101. MUNICIPAL UTILITY DISTRICT POWERS. (a) The
42 district has all of the rights, powers, privileges, and functions
43 conferred and imposed by the general law of this state relating to
44 municipal utility districts created under Section 59, Article XVI,

1 Texas Constitution, including those conferred by Chapters 49 and
2 54, Water Code.

3 (b) The district may exercise inside or outside the
4 district's boundaries any of the rights or powers granted by this
5 chapter or under the general law relating to municipal utility
6 districts, including the provision of water or sewerage service.
7 (Acts 61st Leg., R.S., Ch. 144, Secs. 5 (part), 16 (part).)

8 Source Law

9 Sec. 5. The district shall have and exercise,
10 and is hereby vested with, all of the rights, powers,
11 privileges, authority and functions conferred and
12 imposed by the general laws of this state now in force
13 or hereafter enacted, applicable to water control and
14 improvement districts created under authority of
15 Article XVI, Section 59 of the Constitution of Texas
16 including without limitation those conferred by
17 Chapter 3A, Title 128, Vernon's Texas Civil Statutes;
18

19 Sec. 16. The district may exercise any of the
20 rights, powers and authorities granted in this Act or
21 under the general laws relating to water control and
22 improvement districts within or without the boundaries
23 of the district, and is specifically authorized to
24 exercise any of the rights, powers and authorities in
25 order to provide water and sewerage service to areas
26 within or without the boundaries of the
27 district. . . .

28 Revisor's Note

29 (1) Section 5, Chapter 144, Acts of the 61st
30 Legislature, Regular Session, 1969, states that the
31 district "shall have and exercise, and is hereby
32 vested with," certain powers. The revised law
33 substitutes "has" for the quoted language because in
34 the context of this section, the terms are synonymous
35 and "has" is more commonly used.

36 (2) Section 5, Chapter 144, Acts of the 61st
37 Legislature, Regular Session, 1969, refers to "rights,
38 powers, privileges, authority and functions," and
39 Section 16 of that chapter refers to "rights, powers
40 and authorities." The revised law omits "authority"
41 and "authorities" as included in the meaning of
42 "power" and "powers."

43 (3) Section 5, Chapter 144, Acts of the 61st

1 Legislature, Regular Session, 1969, states that the
2 district has the rights, powers, privileges,
3 authority, and functions conferred by the general laws
4 of this state "now in force or hereafter enacted." The
5 revised law omits the quoted language because it is
6 unnecessary under accepted general principles of
7 statutory construction. The "general laws of this
8 state" means those laws "in force" at the time the
9 provision was adopted. It is not necessary to state
10 that the district may be granted additional powers by
11 later enacted laws because those laws apply on their
12 own terms.

13 (4) Section 5, Chapter 144, Acts of the 61st
14 Legislature, Regular Session, 1969, grants the
15 district certain powers, including "without
16 limitation" the powers conferred by Chapter 3A, Title
17 128, Vernon's Texas Civil Statutes. The revised law
18 omits "without limitation" because Section
19 311.005(13), Government Code (Code Construction Act),
20 provides that "includes" and "including" are terms of
21 enlargement and not of limitation and do not create a
22 presumption that components not expressed are
23 excluded.

24 (5) Section 5, Chapter 144, Acts of the 61st
25 Legislature, Regular Session, 1969, refers to "Chapter
26 3A, Title 128, Vernon's Texas Civil Statutes." The
27 relevant provisions of that statute were codified by
28 Chapter 58, Acts of the 62nd Legislature, Regular
29 Session, 1971, as Chapter 51, Water Code. After the
30 district converted to a municipal utility district in
31 1977, Chapter 51, Water Code, no longer applied to the
32 district. Instead, Chapter 54, Water Code, applies to
33 the district under Section 54.034 of that code. See
34 Revisor's Note (3) to Section 8278.002. In 1995,

1 Section 2, Chapter 715, Acts of the 74th Legislature,
2 Regular Session, enacted Chapter 49, Water Code. To
3 reflect those changes, the revised law substitutes a
4 reference to Chapters 49 and 54, Water Code, for the
5 reference to "Chapter 3A, Title 128, Vernon's Texas
6 Civil Statutes."

7 (6) Section 5, Chapter 144, Acts of the 61st
8 Legislature, Regular Session, 1969, refers to the
9 continuing right of this state to supervise the
10 district through the Texas Water Rights Commission.
11 The revised law omits the provision because the Texas
12 Commission on Environmental Quality is the successor
13 to the Texas Water Rights Commission, and therefore
14 the provision duplicates, in substance, part of
15 Section 12.081, Water Code, which applies to the
16 district. The omitted law reads:

17 Sec. 5. . . .
18 The rights, powers, privileges,
19 authority and functions herein granted to
20 the district shall be subject to the
21 continuing right of supervision of the
22 state, to be exercised by and through the
23 Texas Water Rights Commission. . . .

24 (7) Section 16, Chapter 144, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that the
26 district "is specifically authorized to exercise any
27 of the [district's] rights, powers and authorities in
28 order to" take certain actions. The revised law
29 substitutes "may" for "is specifically authorized to"
30 because that term is more concise and is the
31 substantive equivalent of the quoted language.

32 Revised Law

33 Sec. 8278.102. ADDITIONAL POWERS. (a) The district may:

34 (1) make, purchase, construct, lease, or otherwise
35 acquire property, works, facilities, existing improvements, or
36 improvements to be made, constructed, or acquired that are:

37 (A) inside or outside the district's boundaries;

1 and

2 (B) necessary or useful to carry out the powers
3 granted by this chapter or general law; or

4 (2) enter into a contract with a person on terms the
5 board considers desirable, fair, and advantageous for:

6 (A) the purchase or sale of water;

7 (B) the transportation, treatment, and disposal
8 of the domestic, industrial, or communal wastes of the district or
9 others;

10 (C) the continuing and orderly development of
11 land and property in the district through the purchase,
12 construction, or installation of facilities, works, or
13 improvements that the district is otherwise authorized to do or
14 perform so that, to the greatest extent reasonably possible,
15 considering sound engineering and economic practices, all of the
16 land and property may ultimately receive the services of the
17 facilities, works, or improvements; and

18 (D) the performance of any of the powers granted
19 by this chapter or the general law relating to municipal utility
20 districts.

21 (b) A contract under Subsection (a)(2) may not have a
22 duration of more than 40 years. (Acts 61st Leg., R.S., Ch. 144,
23 Sec. 5 (part).)

24 Source Law

25 Sec. 5. . . .

26 Not by way of limitation, the district shall have
27 and is hereby expressly granted the following rights,
28 powers, privileges and functions:

29 (a) The power and authority to make, purchase,
30 construct, lease, or otherwise acquire property,
31 works, facilities and improvements (whether
32 previously existing or to be made, constructed or
33 acquired) within or without the boundaries of the
34 district necessary or useful to carry out the powers
35 and authority granted by this Act and the general laws.

36 (b) The right, power and authority to enter into
37 contracts of not exceeding 40 years duration with
38 persons, corporations, public or private, municipal
39 corporations, political subdivisions of the State of
40 Texas, and others, on such terms and conditions as the
41 board of directors may deem desirable, fair and
42 advantageous for:

43 (1) the purchase and sale of water, or
44 either;

1 (2) the transportation, treatment and
2 disposal of its domestic, industrial or communal
3 wastes or the transportation, treatment and disposal
4 of domestic, industrial or communal wastes of others;

5 (3) the continuing and orderly development
6 of the lands and property within the district through
7 the purchase, construction or installation of
8 facilities, works or improvements which the district
9 may otherwise be empowered and authorized to do or
10 perform so that, to the greatest extent reasonably
11 possible, considering sound engineering and economic
12 practices, all of such lands and property may be placed
13 in a position to ultimately receive the services of
14 such facilities, works or improvements; and

15 (4) the performance of any of the rights or
16 powers granted in this Act and the general laws
17 relating to water control and improvement
18 districts. . . .

19 Revisor's Note

20 (1) Section 5, Chapter 144, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that,
22 "[n]ot by way of limitation," the district has certain
23 specified rights, powers, privileges, and functions.
24 The revised law omits the quoted language because it is
25 an accepted general principle of statutory
26 construction that a grant of a right, power,
27 privilege, or function does not act as a limitation.
28 The general principle applies to this revision.

29 (2) Section 5, Chapter 144, Acts of the 61st
30 Legislature, Regular Session, 1969, provides that the
31 district "shall have and is hereby expressly granted
32 the following rights, powers, privileges and
33 functions" to take certain actions. The revised law
34 substitutes "may" for the quoted language because that
35 term is more concise and is the substantive equivalent
36 of the quoted language.

37 (3) Section 5, Chapter 144, Acts of the 61st
38 Legislature, Regular Session, 1969, refers to the
39 power of the district to enter into contracts with
40 persons, "corporations, public or private, municipal
41 corporations, political subdivisions of the State of
42 Texas, and others." The revised law omits the quoted
43 language because under Section 311.005(2), Government

1 Code (Code Construction Act), "person" is defined to
2 include any legal entity.

3 (4) Section 5, Chapter 144, Acts of the 61st
4 Legislature, Regular Session, 1969, provides that the
5 district may enter into a contract on "terms and
6 conditions" the board considers desirable, fair, and
7 advantageous. The revised law omits the reference to
8 "conditions" because "conditions" is included in the
9 meaning of "terms."

10 Revised Law

11 Sec. 8278.103. EMINENT DOMAIN. The district may exercise
12 the power of eminent domain only in the county in which the district
13 is located. (Acts 61st Leg., R.S., Ch. 144, Sec. 13 (part).)

14 Source Law

15 Sec. 13. The power of eminent domain of the
16 district shall be limited to the county in which the
17 district is situated. . . .

18 Revised Law

19 Sec. 8278.104. COST OF RELOCATING OR ALTERING PROPERTY.

20 (a) In this section, "sole expense" means the actual cost of
21 relocating, raising, lowering, rerouting, changing the grade of, or
22 altering the construction of a facility described by Subsection (b)
23 in providing comparable replacement without enhancement of the
24 facility, after deducting from that cost the net salvage value of
25 the old facility.

26 (b) If the district's exercise of the power of eminent
27 domain makes necessary the relocation, raising, lowering,
28 rerouting, changing the grade, or alteration of the construction of
29 a highway, a railroad, an electric transmission line, a telegraph
30 or telephone property or facility, or a pipeline, the necessary
31 action shall be accomplished at the sole expense of the district.
32 (Acts 61st Leg., R.S., Ch. 144, Sec. 13 (part).)

33 Source Law

34 Sec. 13. . . . In the event that the district,
35 in the exercise of the power granted hereunder, makes
36 necessary the relocation, raising, lowering,
37 rerouting or changing the grade of or altering the

1 construction of, any highway, railroad, electric
2 transmission line, telegraph or telephone properties
3 and facilities, or pipeline, all such necessary
4 relocation, raising, lowering, rerouting, changing of
5 grade or alteration of construction shall be
6 accomplished at the sole expense of the district. The
7 term "sole expense" shall mean the actual cost of such
8 relocation, raising, lowering, rerouting, or change in
9 grade or alteration of construction in providing
10 comparable replacement without enhancement of such
11 facilities, after deducting therefrom the net salvage
12 value derived from the old facility.

13 Revised Law

14 Sec. 8278.105. NOTICE OF ELECTION. The board president or
15 secretary may give notice of an election. (Acts 61st Leg., R.S.,
16 Ch. 144, Sec. 19 (part).)

17 Source Law

18 Sec. 19. Notice of all elections may be given
19 under the hand of either the president or the secretary
20 of the district. . . .

21 Revisor's Note
22 (End of Subchapter)

23 Section 13, Chapter 144, Acts of the 61st
24 Legislature, Regular Session, 1969, states that the
25 district may use public roadways, streets, alleys, or
26 public easements. The revised law omits the provision
27 because it duplicates, in substance, Section 49.220,
28 Water Code. The omitted law reads:

29 Sec. 13. . . . The district shall
30 have the right, power and authority to use
31 any and all public roadways, streets,
32 alleys or public easements within or
33 without the boundaries of the district in
34 the accomplishment of its purposes without
35 the necessity of securing a
36 franchise. . . .

37 [Sections 8278.106-8278.150 reserved for expansion]

38 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

39 Revised Law

40 Sec. 8278.151. TAX METHOD. (a) The district shall use the
41 ad valorem plan of taxation.

42 (b) The board is not required to call or hold a hearing on
43 the adoption of a plan of taxation. (Acts 61st Leg., R.S., Ch. 144,
44 Sec. 8.)

1 affairs for each year shall be prepared by
2 an independent certified public accountant,
3 or a firm of independent certified public
4 accountants, of recognized integrity and
5 ability. . . .

6 (3) Section 14, Chapter 144, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that a
8 written report of the audit shall be delivered to each
9 board member not later than 90 days after the close of
10 each fiscal year. The revised law omits the deadline
11 for delivery of the report as superseded by Sections
12 49.191(b) and (d), Water Code (enacted by Section 2,
13 Chapter 715, Acts of the 74th Legislature, Regular
14 Session, 1995). The omitted law reads:

15 Sec. 14. . . . [A written report of
16 the audit shall be delivered to each member
17 of the board of directors] not later than 90
18 days after the close of each fiscal year;
19 and

20 (4) Section 14, Chapter 144, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that at
22 least five copies of the audit report shall be
23 delivered to the district office and that one of those
24 copies shall constitute a public record. The revised
25 law omits those provisions as superseded by Sections
26 49.191(b), 49.194(c), and 49.196(b), Water Code
27 (enacted by Section 2, Chapter 715, Acts of the 74th
28 Legislature, Regular Session, 1995). The omitted law
29 reads:

30 Sec. 14. . . . at least five
31 additional copies of said audit shall be
32 delivered to the office of the district, one
33 of which shall be kept on file, and shall
34 constitute a public record open to
35 inspection by any interested person or
36 persons within normal office hours;
37 and

38 (5) Section 14, Chapter 144, Acts of the 61st
39 Legislature, Regular Session, 1969, provides that one
40 copy of the audit report shall be filed with the Texas
41 Water Rights Commission. The revised law omits that
42 provision as superseded by Sections 49.191(b) and

1 49.194(a), Water Code (enacted by Section 2, Chapter
2 715, Acts of the 74th Legislature, Regular Session,
3 1995). The omitted law reads:

4 Sec. 14. . . . one copy of such
5 audit report shall be filed with the Texas
6 Water Rights Commission. . . .

7 (6) Section 14, Chapter 144, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that the
9 district shall pay the cost of the audit. The revised
10 law omits that provision because it duplicates Section
11 49.191(a), Water Code. The omitted law reads:

12 Sec. 14. . . . The cost of such audit
13 shall be paid for by the district.

14 Revised Law

15 Sec. 8278.155. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

16 The district is not required to pay a tax or assessment on:

17 (1) district property; or

18 (2) a purchase made by the district. (Acts 61st Leg.,
19 R.S., Ch. 144, Sec. 22 (part).)

20 Source Law

21 Sec. 22. . . . the district shall not be
22 required to pay any tax or assessment on its properties
23 or any part thereof or on any purchases made by the
24 district.

25 Revised Law

26 Sec. 8278.156. DEPOSITORY. (a) The board shall select one
27 or more banks in this state to act as depository for the district's
28 money.

29 (b) To the extent that money in the depository bank is not
30 insured by the Federal Deposit Insurance Corporation, the money
31 must be secured in the manner provided by law for the security of
32 county funds.

33 (c) A director may be a shareholder in a bank that is a
34 depository of district money. (Acts 61st Leg., R.S., Ch. 144, Sec.
35 14 (part).)

36 Source Law

37 Sec. 14. The board of directors of the district
38 shall select any bank or banks in the State of Texas to

1 act as depository or depositories for the funds of the
2 district. To the extent that funds in the depository
3 bank or banks are not insured by the Federal Deposit
4 Insurance Corporation, they shall be secured in the
5 manner provided by law for the security of county
6 funds. Any director of the district may be a
7 shareholder in said depository bank or banks. . . .

8 Revisor's Note

9 Section 14, Chapter 144, Acts of the 61st
10 Legislature, Regular Session, 1969, refers to the
11 district's "funds." The revised law substitutes
12 "money" for "funds" because, in the context of
13 district funds, the meaning is the same and "money" is
14 the more commonly used term.

15 [Sections 8278.157-8278.200 reserved for expansion]

16 SUBCHAPTER E. BONDS

17 Revised Law

18 Sec. 8278.201. AUTHORITY TO ISSUE BONDS. The district may
19 issue bonds to provide water and sewer service to areas inside or
20 outside the boundaries of the district, regardless of whether the
21 areas are contiguous or noncontiguous. (Acts 61st Leg., R.S., Ch.
22 144, Sec. 16 (part).)

23 Source Law

24 Sec. 16. . . . The district may issue bonds to
25 provide water and sewer service to areas within or
26 without the boundaries of the district, whether such
27 area or areas are contiguous or noncontiguous.

28 Revised Law

29 Sec. 8278.202. LOST OR MUTILATED BONDS. A trust indenture
30 securing bonds issued under this chapter may provide for the
31 issuance of bonds to replace lost or mutilated bonds. (Acts 61st
32 Leg., R.S., Ch. 144, Sec. 12 (part).)

33 Source Law

34 Sec. 12.
35 . . . [Such bonds . . . may be additionally
36 secured by a deed of trust or mortgage lien] . . .
37 Such trust indenture, . . . may make provisions for
38 . . . the issuance of bonds to replace lost or
39 mutilated bonds, and . . .

40 Revised Law

41 Sec. 8278.203. USE OF BOND PROCEEDS DURING CONSTRUCTION.
42 (a) The district may appropriate or set aside out of the proceeds

1 from the sale of any bonds issued under this chapter an amount for
2 the payment of interest, administrative, and operating expenses
3 expected to accrue during a period of construction, as may be
4 provided in the bond orders or resolutions.

5 (b) For purposes of this section, the period of construction
6 may not exceed three years. (Acts 61st Leg., R.S., Ch. 144, Sec. 12
7 (part).)

8 Source Law

9 Sec. 12. . . .

10 From the proceeds of sale of any bonds issued
11 hereunder, the district may appropriate or set aside
12 out of the bond proceeds an amount for the payment of
13 interest, administrative and operating expenses
14 expected to accrue during the period of construction,
15 (such period not to exceed three years), as may be
16 provided in the bond orders or resolutions, and

17 Revised Law

18 Sec. 8278.204. REFUNDING BONDS. (a) By order or resolution
19 adopted by the board, the district may issue tax or revenue
20 refunding bonds or tax-revenue refunding bonds to refund revenue
21 bonds or tax-revenue bonds, whether original bonds or refunding
22 bonds, previously issued by the district.

23 (b) The comptroller shall register the refunding bonds on
24 the surrender and cancellation of the bonds to be refunded.

25 (c) Instead of issuing bonds to be registered on the
26 surrender and cancellation of the bonds to be refunded, the
27 district, in the order or resolution authorizing the issuance of
28 the refunding bonds, may provide for the sale of the refunding bonds
29 and the deposit of the proceeds in the place or places where the
30 bonds to be refunded are payable. In that case, the refunding bonds
31 may be issued if an amount sufficient to pay the principal of and
32 interest on the bonds to be refunded to their maturity dates, or to
33 their option dates if according to their terms the bonds have been
34 called for payment before maturity, has been deposited in the place
35 or places where the bonds to be refunded are payable, and the
36 comptroller shall register the refunding bonds without the
37 surrender and cancellation of the bonds to be refunded. (Acts 61st
38 Leg., R.S., Ch. 144, Sec. 12 (part).)

1 Source Law

2 Sec. 12. . . .

3 By orders or resolutions adopted by its board of
4 directors, said district shall have the power and
5 authority to issue tax or revenue refunding bonds or
6 tax-revenue refunding bonds to refund revenue bonds or
7 tax-revenue bonds (either original bonds or refunding
8 bonds) theretofore issued by such district. Said
9 refunding bonds shall be approved by the attorney
10 general as in the case of original bonds, and shall be
11 registered by the comptroller of public accounts upon
12 the surrender and cancellation of the bonds to be
13 refunded, but in lieu thereof, the orders or
14 resolutions authorizing their issuance may provide
15 that they shall be sold and the proceeds thereof
16 deposited in the place or places where the underlying
17 bonds are payable, in which case the refunding bonds
18 may be issued provided an amount sufficient to pay the
19 interest and principal on the underlying bonds to
20 their maturity dates, or to their option dates if said
21 bonds have been duly called for payment prior to
22 maturity according to their terms, has been so
23 deposited in the place or places where said underlying
24 bonds are payable, and the comptroller of public
25 accounts shall register them without the surrender and
26 cancellation of the underlying bonds. . . .

27 Revisor's Note

28 (1) Section 12, Chapter 144, Acts of the 61st
29 Legislature, Regular Session, 1969, provides that the
30 district "shall have the power and authority" to issue
31 certain bonds. The revised law substitutes "may" for
32 the quoted language for the reason stated in Revisor's
33 Note (2) to Section 8278.102.

34 (2) Section 12, Chapter 144, Acts of the 61st
35 Legislature, Regular Session, 1969, provides that
36 refunding bonds "shall be approved by the attorney
37 general as in the case of original bonds." The revised
38 law omits the quoted language because it is superseded
39 by Section 1202.003, Government Code, enacted in 1987
40 as Section 3.002(a), Chapter 53, Acts of the 70th
41 Legislature, 2nd Called Session (Article 717k-8,
42 Vernon's Texas Civil Statutes). That section applies
43 to district bonds by application of Section 1202.001,
44 Government Code.

45 (3) Section 12, Chapter 144, Acts of the 61st
46 Legislature, Regular Session, 1969, refers to bonds

1 that have been "duly" called for payment before their
2 maturity. The revised law omits "duly" in this context
3 because it does not add to the clear meaning of the
4 law.

5 Revisor's Note
6 (End of Subchapter)

7 (1) Section 11, Chapter 144, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that the
9 district shall comply with the requirements of Article
10 7880--139, Vernon's Texas Civil Statutes. Article
11 7880--139 was codified by Chapter 58, Acts of the 62nd
12 Legislature, Regular Session, 1971, as Sections 51.421
13 and 51.422, Water Code. After the district was
14 converted to a municipal utility district in 1977,
15 those sections no longer applied to the district.
16 Instead, Sections 54.516 and 54.517, Water Code,
17 applied to the district under Section 54.034 of that
18 code. See Revisor's Note (3) to Section 8278.002.
19 Chapter 715, Acts of the 74th Legislature, Regular
20 Session, 1995, repealed Sections 54.516 and 54.517,
21 Water Code, and enacted Sections 49.181 and 49.182,
22 Water Code, to govern the authority of the Texas
23 Commission on Environmental Quality over the issuance
24 of district bonds and supervision by the commission of
25 projects and improvements, respectively. Sections
26 49.181 and 49.182, Water Code, apply to the district on
27 their own terms, without an express reference to those
28 sections in this chapter. The omitted law reads:

29 Sec. 11. The district shall comply
30 with the requirements of Article 7880--139,
31 Vernon's Texas Civil Statutes, as it
32 presently exists or as it may be hereafter
33 amended.

34 (2) Section 12, Chapter 144, Acts of the 61st
35 Legislature, Regular Session, 1969, refers to the
36 district's authority to issue bonds for specific
37 purposes. The revised law omits that provision

1 because it duplicates Section 54.501, Water Code. The
2 omitted law reads:

3 Sec. 12. The district is hereby
4 authorized to issue [its negotiable tax
5 bonds, revenue bonds, or tax and revenue]
6 bonds to provide funds for any or all of the
7 purposes set out or incorporated by
8 reference herein, including the acquisition
9 of land therefor, and

10 (3) Section 12, Chapter 144, Acts of the 61st
11 Legislature, Regular Session, 1969, authorizes the
12 district to issue "negotiable" bonds and provides for
13 the payment of those bonds. The revised law omits the
14 reference to "negotiable" bonds because Section
15 1201.041, Government Code, provides that a public
16 security is a negotiable instrument. Section 1201.041
17 applies to district bonds by application of Section
18 1201.002, Government Code. The revised law omits the
19 provision regarding the payment of district bonds
20 because the provision duplicates, in substance,
21 Section 54.503, Water Code. The omitted law reads:

22 Sec. 12. [The district is hereby
23 authorized to issue] its negotiable tax
24 bonds, revenue bonds, or tax and revenue
25 [bonds]

26 The bonds issued hereunder may be
27 payable from all or any designated part or
28 parts of the revenues of the district's
29 properties and facilities or under specific
30 contracts, as may be provided in the orders
31 or resolutions authorizing the issuance of
32 such bonds; and,

33 (4) Section 12, Chapter 144, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that
35 district bonds shall be issued under Chapter 3A, Title
36 128, and Article 7880--90a, Vernon's Texas Civil
37 Statutes. Chapter 58, Acts of the 62nd Legislature,
38 Regular Session, 1971, codified the relevant
39 provisions of Chapter 3A, Title 128, as Chapter 51,
40 Water Code. The same act codified Article 7880--90a as
41 Sections 51.450-51.454, Water Code. The revised law
42 omits the references to those laws because the

1 district converted from a water control and
2 improvement district governed by Chapter 51, Water
3 Code, to a municipal utility district governed by
4 Chapter 54, Water Code. See Revisor's Note (3) to
5 Section 8278.002. The provisions of Chapter 54, Water
6 Code, apply on their own terms. The omitted law reads:

7 Sec. 12. . . . said bonds shall be
8 issued in the manner provided and as
9 authorized by Article 7880--90a, Vernon's
10 Texas Civil Statutes, and Chapter 3A of
11 Title 128, Vernon's Texas Civil Statutes, as
12 presently or hereafter amended,

13 (5) Section 12, Chapter 144, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that an
15 election is not required for bonds payable from
16 revenues. The revised law omits that provision
17 because it duplicates, in substance, Section 54.505,
18 Water Code. The omitted law reads:

19 Sec. 12. . . . provided, however,
20 that bonds payable solely from net revenues
21 may be issued by resolution or order of the
22 board of directors and no election therefor
23 shall be necessary. . . .

24 (6) Section 12, Chapter 144, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that
26 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
27 applies to bonds issued under Section 12 except when
28 Chapter 3A is inconsistent or in conflict with Section
29 12. The revised law omits the provision for the
30 reasons stated in Revisor's Note (4) to the end of this
31 subchapter and Revisor's Note (1) to the end of
32 Subchapter A. The omitted law reads:

33 Sec. 12. . . . except as the same may
34 be inconsistent or in conflict with the
35 provisions of this Act, the provisions of
36 said Chapter 3A of Title 128, Vernon's Texas
37 Civil Statutes, as presently or hereafter
38 amended, shall apply to all bonds issued
39 under the provisions of this Act (the
40 provisions of this Act to govern and take
41 precedence in the event of any such
42 inconsistency or conflict). . . .

43 (7) Section 12, Chapter 144, Acts of the 61st

1 Legislature, Regular Session, 1969, provides for
2 additional security for bonds. The revised law omits
3 that provision because it duplicates Section 54.504,
4 Water Code. The omitted law reads:

5 Sec. 12. . . .

6 Such bonds, within the discretion of
7 the board of directors, may be additionally
8 secured by a deed of trust or mortgage lien
9 upon part or all of the physical properties
10 of the district, and franchises, easements,
11 water rights and appropriation permits,
12 leases, and contracts and all rights
13 appurtenant to such properties, vesting in
14 the trustee power to sell such properties
15 for payment of the indebtedness, power to
16 operate the properties and all other powers
17 and authority for the further security of
18 the bonds. [Such trust indenture,]
19 regardless of the existence of the deed of
20 trust or mortgage lien on the properties,
21 may contain provisions prescribed by the
22 board of directors for the security of the
23 bonds and the preservation of the trust
24 estate, and [may make provisions for]
25 amendment or modification thereof and . . .
26 may condition the right to expend district
27 money or sell district property upon
28 approval of a registered professional
29 engineer selected as provided therein and
30 may make provisions for investment of funds
31 of the district. Any purchaser under a sale
32 under the deed of trust or mortgage lien,
33 where one is given, shall be absolute owner
34 of the properties, facilities and rights so
35 purchased and shall have the right to
36 maintain and operate same. . . .

37 (8) Section 12, Chapter 144, Acts of the 61st
38 Legislature, Regular Session, 1969, specifies various
39 provisions of bonds. The revised law omits that
40 provision because it duplicates Section 54.510, Water
41 Code. The omitted law reads:

42 Sec. 12. . . .

43 In the orders or resolutions
44 authorizing the issuance of any revenue,
45 tax-revenue, revenue refunding, or
46 tax-revenue refunding bonds authorized
47 hereunder, the district's board of
48 directors may provide for the flow of funds,
49 the establishment and maintenance of the
50 interest and sinking fund or funds, reserve
51 fund or funds, and other funds, and may make
52 additional covenants with respect to the
53 bonds and the pledged revenues and the
54 operation and maintenance of those
55 improvements and facilities (the revenues
56 of which are pledged), including provisions
57 for the operation or for the leasing of all
58 or any part of said improvements and

1 facilities and the use or pledge of moneys
2 derived from such operation contracts and
3 leases, as such board may deem appropriate.
4 Such orders or resolutions may also
5 prohibit the further issuance of bonds or
6 other obligations payable from the pledged
7 revenues, or may reserve the right to issue
8 additional bonds to be secured by a pledge
9 of and payable from said revenues on a
10 parity with, or subordinate to, the lien and
11 pledge in support of the bonds being issued,
12 subject to such conditions as are set forth
13 in such orders or resolutions. Such orders
14 or resolutions may contain other provisions
15 and covenants, as the district's board may
16 determine, not prohibited by the
17 Constitution of Texas or by this Act, and
18 said board may adopt and cause to be
19 executed any other proceedings or
20 instruments necessary and/or convenient in
21 the issuance of any such bonds. . . .

22 (9) Section 12, Chapter 144, Acts of the 61st
23 Legislature, Regular Session, 1969, provides for the
24 use of bond proceeds to pay expenses incurred and to be
25 incurred in the issuance, sale, and delivery of the
26 bonds. The revised law omits that provision because it
27 duplicates, in substance, Section 49.155, Water Code.
28 The omitted law reads:

29 Sec. 12. . . .
30 [From the proceeds of sale of any bonds
31 issued hereunder, the district may
32 appropriate or set aside out of the bond
33 proceeds] . . . an amount necessary to pay
34 all expenses incurred and to be incurred in
35 the issuance, sale and delivery of the
36 bonds. . . .

37 (10) Section 12, Chapter 144, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that
39 money in a fund established or provided for in a bond
40 order or resolution may be invested in securities as
41 provided in the bond order or may be placed on
42 interest-bearing time deposit. The revised law omits
43 that provision because it is superseded by Subchapter
44 A, Chapter 2256, Government Code (enacted as Chapter
45 889, Acts of the 70th Legislature, Regular Session,
46 1987). The omitted law reads:

47 Sec. 12. . . . Moneys in the interest
48 and sinking fund or funds and the reserve
49 fund or funds, and in the other fund or
50 funds established or provided for in the

1 bond orders or resolutions may be invested
2 in such manner and in such securities as may
3 be provided in the bond order or orders or
4 may be placed on interest-bearing time
5 deposit. . . .

6 (11) Section 12, Chapter 144, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that bond
8 proceeds may be invested in securities of the United
9 States or placed on interest-bearing time deposit.
10 The revised law omits that provision as superseded by
11 Subchapter A, Chapter 2256, Government Code (enacted
12 as Chapter 889, Acts of the 70th Legislature, Regular
13 Session, 1987). The omitted law reads:

14 Sec. 12. . . . Until such time as the
15 bond proceeds are needed to carry out the
16 bond purpose, such proceeds may be invested
17 in securities of the United States
18 Government or any agency thereof or may be
19 placed on interest-bearing time deposit,
20 either or both. . . .

21 (12) Section 12, Chapter 144, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that
23 district bonds may be registered as to principal or as
24 to principal and interest. The revised law omits that
25 provision because it duplicates Section 1201.024,
26 Government Code. That section applies to district
27 bonds by application of Section 1201.002, Government
28 Code. The omitted law reads:

29 Sec. 12. . . . Any such revenue
30 bonds, tax bonds, revenue refunding bonds,
31 or tax-revenue refunding bonds hereinafter
32 mentioned may be registrable as to
33 principal, or as to both principal and
34 interest. . . .

35 (13) Section 12, Chapter 144, Acts of the 61st
36 Legislature, Regular Session, 1969, requires the
37 district to deliver its bonds to the attorney general
38 for examination and approval. The revised law omits
39 that provision because it duplicates, in substance,
40 Section 1202.003, Government Code. Section 1202.003,
41 Government Code, applies to district bonds by
42 application of Section 1202.001, Government Code. The

1 omitted law reads:

2 Sec. 12. . . .
3 After any bonds have been authorized
4 by the district hereunder, such bonds and
5 the record relating to their issuance shall
6 be submitted to the Attorney General of the
7 State of Texas for his examination as to the
8 validity thereof, and

9 (14) Section 12, Chapter 144, Acts of the 61st
10 Legislature, Regular Session, 1969, provides that
11 after approval the bonds shall be registered with the
12 comptroller. The revised law omits that provision as
13 superseded by Section 1202.005, Government Code
14 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
15 of the 70th Legislature, 2nd Called Session). Section
16 1202.005, Government Code, applies to district bonds
17 by application of Section 1202.001, Government Code.
18 The omitted law reads:

19 Sec. 12. . . . after said attorney
20 general has approved the same, such bonds
21 shall be registered by the Comptroller of
22 Public Accounts of the State of
23 Texas. . . .

24 (15) Section 12, Chapter 144, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that
26 after approval and registration, district bonds are
27 incontestable except for forgery or fraud. The
28 revised law omits that provision as impliedly repealed
29 by Section 1202.006, Government Code (enacted as
30 Section 3.002(d), Chapter 53, Acts of the 70th
31 Legislature, 2nd Called Session, 1987). Section
32 1202.006, Government Code, provides that after
33 approval and registration, bonds are incontestable for
34 any reason. Section 1202.006 applies to district
35 bonds by application of Section 1202.001, Government
36 Code. The omitted law reads:

37 Sec. 12. . . . When such bonds have
38 been approved by the attorney general,
39 registered by the comptroller of public
40 accounts, and delivered to the purchasers,
41 they shall thereafter be incontestable
42 except for forgery or fraud. . . .

1 (16) Section 12, Chapter 144, Acts of the 61st
2 Legislature, Regular Session, 1969, details various
3 procedures regarding the attorney general's approval
4 of bond contracts and proceedings. The revised law
5 omits the portion of Section 12 regarding the
6 incontestability of a contract the proceeds of which
7 are pledged to the payment of a bond as impliedly
8 repealed by Section 1202.006, Government Code (enacted
9 as Section 3.002(d), Chapter 53, Acts of the 70th
10 Legislature, 2nd Called Session, 1987). Section
11 1202.006, Government Code, provides that after
12 approval and registration of the bond, the bond and
13 contract are incontestable for any reason. Section
14 1202.006 applies to district bonds by application of
15 Section 1202.001, Government Code. The omitted law
16 reads:

17 Sec. 12. . . . When any bonds recite
18 that they are secured partially or
19 otherwise by a pledge of the proceeds of a
20 contract or contracts made between the
21 district and another party or parties
22 (private or public) a copy of such contract
23 or contracts and the proceedings
24 authorizing the same may or may not be
25 submitted to the attorney general along
26 with the bond record and, if so submitted,
27 the approval by the attorney general of the
28 bonds shall constitute an approval of such
29 contract or contracts, and thereafter the
30 contract or contracts shall be
31 incontestable for any cause except for
32 forgery or fraud.

33 (17) Section 17, Chapter 144, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that the
35 district may sell bonds at any price or on any terms,
36 except that the price may not be less than that
37 provided by law. The revised law omits that provision
38 because it duplicates Section 1204.006(b), Government
39 Code. Section 1204.006(b) provides that an issuer may
40 sell public securities at any price and applies to
41 district bonds by application of Section 1204.001,
42 Government Code. The omitted law reads:

1 Sec. 17. Bonds of the district may be
2 sold at a price and upon the terms
3 determined by the board of directors of the
4 district, except that such bonds shall not
5 be sold for a less amount than provided by
6 law. . . .

7 (18) Section 17, Chapter 144, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that the
9 district may sell bonds only after soliciting bids.
10 The revised law omits that provision because it
11 duplicates, in substance, Section 49.183(a), Water
12 Code. The omitted law reads:

13 Sec. 17. . . . No bonds shall be sold
14 by the district until it has solicited bids
15 therefor.

16 (19) Section 18, Chapter 144, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that
18 elections to authorize district bonds must be held
19 under applicable general law. Section 18 also
20 provides that if the first bond election fails, any
21 provision of the general law relating to the
22 dissolution of a district when a bond election fails
23 does not apply to the district. The revised law omits
24 the provision relating to the first bond election as
25 executed. The revised law omits the provision
26 requiring bond elections to be held under applicable
27 general law because the provision duplicates Section
28 49.101, Water Code. The omitted law reads:

29 Sec. 18. All elections to authorize
30 the issuance of bonds by the district shall
31 be held pursuant to the general law
32 applicable to water control and improvement
33 districts; provided, however, that if the
34 first bond election fails, Article
35 7880--77b, Vernon's Texas Civil Statutes,
36 or any other provision of the general law
37 pertaining to dissolution of the district
38 when a bond election fails, shall not apply.

39 (20) Section 20, Chapter 144, Acts of the 61st
40 Legislature, Regular Session, 1969, lists the entities
41 for which district bonds are legal investments and
42 provides that district bonds may secure deposits of

1 public funds of the state or political subdivisions.
2 The revised law omits the provision relating to the
3 eligibility of district bonds to be considered as
4 investments for various entities because it duplicates
5 Section 49.186(a), Water Code. The revised law omits
6 the provision relating to deposits of state funds by
7 the comptroller as impliedly repealed by Section
8 404.0221, Government Code (enacted in 1995), which
9 lists eligible collateral for deposits of state funds
10 by the comptroller. As to deposits of other funds, the
11 provision is impliedly repealed by Chapter 2257,
12 Government Code (enacted in 1989 as Article 2529d,
13 Vernon's Texas Civil Statutes), which governs eligible
14 collateral for deposits of funds of other public
15 agencies, including political subdivisions, and
16 permits those deposits to be secured by obligations
17 issued by conservation and reclamation districts. The
18 omitted law reads:

19 Sec. 20. All bonds and refunding
20 bonds of the district shall be and are
21 hereby declared to be legal, eligible and
22 authorized investments for banks, savings
23 and loan associations, insurance companies,
24 fiduciaries, and for the sinking funds of
25 cities, towns, villages, counties, school
26 districts, or other political corporations
27 or subdivisions of the State of Texas and
28 for all public funds of the State of Texas
29 or its agencies, including the State
30 Permanent School Fund. Such bonds and
31 refunding bonds shall be eligible to secure
32 the deposit of any and all public funds of
33 the State of Texas, cities, towns,
34 villages, counties, school districts, or
35 other political corporations or
36 subdivisions of the State of Texas; and such
37 bonds shall be lawful and sufficient
38 security for said deposits to the extent of
39 their face value, when accompanied by all
40 unmatured coupons appurtenant thereto.

41 Revisor's Note
42 (End of Chapter)

43 (1) Section 6, Chapter 144, Acts of the 61st
44 Legislature, Regular Session, 1969, provides that it
45 is not necessary for the board of directors to hold an

1 election to confirm the district's organization and
2 that the district is validly created from and after the
3 passage of that act. The revised law omits that
4 provision as executed. The omitted law reads:

5 Sec. 6. It shall not be necessary for
6 the board of directors to call or hold an
7 election to confirm the organization of the
8 district and such district shall be validly
9 created from and after the passage of this
10 Act.

11 (2) Section 7, Chapter 144, Acts of the 61st
12 Legislature, Regular Session, 1969, provides for the
13 exclusion of property from the district before the
14 first bond election is called. The revised law omits
15 that provision as executed because the district has
16 already issued bonds. The omitted law reads:

17 Sec. 7. It shall not be necessary for
18 the board of directors to call or hold a
19 hearing on the exclusions of land or other
20 property from the district; provided,
21 however, that the board shall hold such
22 hearing upon the written petition of any
23 landowner or other property owner within
24 the district filed with the secretary of the
25 board prior to the calling of the first bond
26 election for the district. The board may act
27 on said petition in the same manner that it
28 may act on a petition for the addition of
29 land under Article 7880--75, Vernon's Texas
30 Civil Statutes, and no notice of hearing
31 shall be required. . . .

32 (3) Section 7, Chapter 144, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that the
34 board may on its own motion hold a hearing on the
35 exclusion of property from the district in the manner
36 provided by general law. The revised law omits that
37 provision because it duplicates, in substance, Section
38 49.303(b), Water Code. The omitted law reads:

39 Sec. 7. . . . The board on its own
40 motion may call and hold an exclusions
41 hearing or hearings in the manner provided
42 by the general law.

43 (4) Section 19, Chapter 144, Acts of the 61st
44 Legislature, Regular Session, 1969, provides that the
45 board shall canvass the returns of all elections. The

1 revised law omits that requirement because it
2 duplicates Section 67.002, Election Code, which
3 requires the governing body of a political subdivision
4 that orders an election to canvass the returns.
5 Section 19 also provides that the board shall canvass
6 the election returns "as soon as reasonably
7 practicable after an election." The revised law omits
8 that provision as superseded by Section 67.003,
9 Election Code (enacted by Section 1, Chapter 211, Acts
10 of the 69th Legislature, Regular Session, 1985). The
11 omitted law reads:

12 Sec. 19. . . . The returns of all
13 elections shall be canvassed by the board of
14 directors of the district as soon as
15 reasonably practicable after an election.

16 (5) Section 23, Chapter 144, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that the
18 act is severable. The revised law omits that provision
19 because it duplicates Section 311.032, Government Code
20 (Code Construction Act), which states that a provision
21 of a statute is severable from each other provision of
22 the statute that can be given effect. The omitted law
23 reads:

24 Sec. 23. If any word, phrase, clause,
25 paragraph, sentence, part, portion or
26 provision of this Act or the application
27 thereof to any person or circumstance shall
28 be held to be invalid or unconstitutional,
29 the remainder of the Act shall nevertheless
30 be valid, and the Legislature hereby
31 declares that this Act would have been
32 enacted without such invalid or
33 unconstitutional word, phrase, clause,
34 paragraph, sentence, part, portion or
35 provision.

36 (6) Section 24, Chapter 144, Acts of the 61st
37 Legislature, Regular Session, 1969, contains
38 legislative findings relating to the performance of
39 certain requirements under Section 59(d), Article XVI,
40 Texas Constitution. The revised law omits that
41 provision as executed. The omitted law reads:

1 Sec. 8279.105. NOTICE OF ELECTION 1688

2 [Sections 8279.106-8279.150 reserved for expansion]

3 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4 Sec. 8279.151. TAX METHOD 1689

5 Sec. 8279.152. DISTRICT ACCOUNTS 1689

6 Sec. 8279.153. COPY OF AUDIT REPORT 1690

7 Sec. 8279.154. PAYMENT OF TAX OR ASSESSMENT NOT
8 REQUIRED 1692

9 Sec. 8279.155. DEPOSITORY 1692

10 [Sections 8279.156-8279.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 8279.201. AUTHORITY TO ISSUE BONDS 1694

13 Sec. 8279.202. LOST OR MUTILATED BONDS 1694

14 Sec. 8279.203. USE OF BOND PROCEEDS DURING
15 CONSTRUCTION 1694

16 Sec. 8279.204. REFUNDING BONDS 1695

17 CHAPTER 8279. HORSEPEN BAYOU MUNICIPAL UTILITY DISTRICT OF
18 HARRIS COUNTY, TEXAS

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Revised Law

21 Sec. 8279.001. 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 Horsepen Bayou Municipal
26 Utility District of Harris County, Texas. (Acts 61st Leg., R.S.,
27 Ch. 838, Sec. 1 (part); New.)

28 Source Law

29 Sec. 1. . . . [a . . . district . . .] to be
30 known as "Horsepen Bayou Municipal Utility District of
31 Harris County, Texas," hereinafter called the
32 "District,"

33 Revisor's Note

34 The definitions of "board" and "director" are
35 added to the revised law for drafting convenience and
36 to eliminate frequent, unnecessary repetition of the

1 substance of the definitions.

2 Revised Law

3 Sec. 8279.002. NATURE OF DISTRICT. The district is a
4 municipal utility district and a conservation and reclamation
5 district in Harris County created under Section 59, Article XVI,
6 Texas Constitution. (Acts 61st Leg., R.S., Ch. 838, Sec. 1 (part);
7 New.)

8 Source Law

9 Sec. 1. Under and pursuant to the provisions of
10 Article XVI, Section 59 of the Constitution of Texas, a
11 conservation and reclamation district is hereby
12 created and established in Harris County, Texas, . . .
13 which shall be a governmental agency and a body politic
14 and corporate. . . .

15 Revisor's Note

16 (1) Section 1, Chapter 838, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that the
18 district is "created and established" in Harris
19 County, Texas. The revised law omits "established"
20 because the meaning of that word is included in the
21 meaning of "created."

22 (2) Section 1, Chapter 838, Acts of the 61st
23 Legislature, Regular Session, 1969, refers to the
24 district as "a governmental agency and a body politic
25 and corporate." The revised law omits those
26 references because they duplicate a portion of Section
27 59(b), Article XVI, Texas Constitution, which provides
28 that a conservation and reclamation district is a
29 governmental agency and a body politic and corporate.

30 (3) The revised law adds a reference to the
31 district as a "municipal utility district" because the
32 district was converted from a water control and
33 improvement district to a municipal utility district
34 on March 6, 1979, by order of the Texas Water
35 Commission. See Sections 54.030-54.036, Water Code.
36 That order expressly states that the district does not
37 "retain any of the provisions of the Code under which

1 it has heretofore been operating" (Chapter 51, Water
2 Code). Under both that order and Section 54.034, Water
3 Code, the district now operates under Chapter 54,
4 Water Code. Throughout this chapter, references to
5 water control and improvement districts and references
6 to Chapter 51, Water Code (the chapter on water control
7 and improvement districts), have been revised to
8 reflect the district's conversion. In addition, as
9 indicated throughout this chapter, the revised law
10 omits law that is superseded by Chapter 54, Water Code,
11 or that duplicates law contained in that chapter.

12 Revised Law

13 Sec. 8279.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
14 The district is created to serve a public use and benefit.

15 (b) All land and other property included in the boundaries
16 of the district will benefit from the works and projects
17 accomplished by the district under the powers conferred by Section
18 59, Article XVI, Texas Constitution.

19 (c) The creation of the district is essential to accomplish
20 the purposes of Section 59, Article XVI, Texas Constitution.

21 (d) The accomplishment of the purposes stated in this
22 chapter is for the benefit of the people of this state and 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 Texas Constitution. (Acts 61st
26 Leg., R.S., Ch. 838, Secs. 1 (part), 4, 22 (part).)

27 Source Law

28 Sec. 1. . . . The creation and establishment of
29 the District is hereby declared to be essential to the
30 accomplishment of the purposes of Article XVI, Section
31 59 of the Constitution of Texas.

32 Sec. 4. It is determined and found that all of
33 the land and other property included within the
34 boundaries of the District will be benefited by the
35 works and project which are to be accomplished by the
36 District pursuant to the powers conferred by the
37 provisions of Article XVI, Section 59, of the
38 Constitution of Texas, and that said District was and
39 is created to serve a public use and benefit.

1 boundaries and field notes of the District form a
2 closure; and if any mistake is made in copying the
3 field notes in the legislative process, or otherwise a
4 mistake is made in the field notes, it shall in no way
5 affect the organization, existence and validity of the
6 District, or the right of the District to issue any
7 type of bonds or refunding bonds for the purposes for
8 which the District is created, or to pay the principal
9 and interest thereon, or the right to assess, levy and
10 collect taxes, or in any other manner affect the
11 legality or operation of the District or its governing
12 body.

13 Revisor's Note

14 (1) The revision of the law governing the
15 district does not revise the statutory language
16 describing the territory of the district to avoid the
17 lengthy recitation of the description and because that
18 description may not be accurate on the effective date
19 of the revision or at the time of a later reading. For
20 the reader's convenience, the revised law includes a
21 reference to the statutory description of the
22 district's territory and references to authority to
23 change the district's territory, including: (1)
24 Subchapter H, Chapter 54, Water Code, applicable to
25 the district after the district was converted to a
26 municipal utility district governed by Chapter 54 of
27 that code (see Sections 54.030-54.036 of that code and
28 Revisor's Note (3) to Section 8279.002); (2)
29 Subchapter J, Chapter 49, Water Code, applicable to
30 the district under Sections 49.001 and 49.002 of that
31 chapter; and (3) Section 9, Chapter 838, Acts of the
32 61st Legislature, Regular Session, 1969. The revised
33 law also includes a reference to the general authority
34 of the legislature to enact other laws to change the
35 district's territory.

36 (2) Section 3, Chapter 838, Acts of the 61st
37 Legislature, Regular Session, 1969, provides that a
38 mistake does not affect the right of the district to
39 issue "any type of bonds or refunding bonds." The
40 revised law omits the reference to "refunding bonds"

1 because refunding bonds are included in the meaning of
2 "any type of bonds."

3 (3) Section 3, Chapter 838, Acts of the 61st
4 Legislature, Regular Session, 1969, refers to the
5 district's right to "assess, levy and collect" a tax.
6 Throughout this chapter, the revised law substitutes
7 "impose" for "levy" or "assess, levy and collect"
8 because "impose" is the term generally used in Title 1,
9 Tax Code, and includes the assessment, levying, and
10 collection of a tax.

11 Revised Law

12 Sec. 8279.005. EXPANSION OF DISTRICT. (a) If land is
13 annexed to the district under Section 49.301, Water Code, the board
14 may require the petitioners to:

15 (1) assume the petitioners' pro rata share of the voted
16 but unissued bonds of the district; and

17 (2) authorize the board to impose a tax on the
18 petitioners' property to pay for the bonds after the bonds have been
19 issued.

20 (b) If land is annexed to the district under Section 49.302,
21 Water Code, the board may submit to the voters of the area to be
22 annexed a proposition on the question of the assumption by the area
23 to be annexed of its part of the voted but not yet issued or sold tax
24 or tax-revenue bonds of the district and the imposition of an ad
25 valorem tax on taxable property in the area to be annexed along with
26 a tax in the rest of the district for the payment of the bonds.

27 (c) If the petitioners consent or if the election results
28 favorably, the district may issue its voted but unissued tax or
29 tax-revenue bonds regardless of changes to district boundaries
30 since the original voting or authorization of the bonds. (Acts 61st
31 Leg., R.S., Ch. 838, Sec. 9.)

32 Source Law

33 Sec. 9. Land may be added to or annexed to the
34 District in the manner now provided by Chapter 3A,
35 Title 128, Revised Civil Statutes of Texas, 1925, as
36 amended; provided, however, that the Board of

1 Directors may require the petitioners, if land is
2 being added in the manner provided by Article
3 7880--75, Vernon's Texas Civil Statutes to assume
4 their pro rata share of the voted but unissued bonds of
5 the District and authorize the Board to levy a tax on
6 their property in payment for such unissued bonds,
7 when issued, or if land is being annexed in the manner
8 provided by Article 7880--75b, Vernon's Texas Civil
9 Statutes, the Board may also submit a proposition to
10 the property tax-paying voters of the area to be
11 annexed on the question of the assumption by the area
12 to be annexed of its part of the tax or tax-revenue
13 bonds of the District theretofore voted but not yet
14 issued or sold and the levy of an ad valorem tax on all
15 taxable property within the area to be annexed along
16 with the tax in the rest of the District for the
17 payment thereof. If the petitioners consent or if the
18 election results favorably, the District shall be
19 authorized to issue its voted but unissued tax or
20 tax-revenue bonds even though the boundaries of the
21 District have been changed since the voting or
22 authorization of such bonds.

23 Revisor's Note

24 (1) Section 9, Chapter 838, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that the
26 district may add or annex land in the manner provided
27 by Chapter 3A, Title 128, Revised Statutes. The
28 revised law omits that provision as unnecessary. The
29 relevant provisions of that statute were codified by
30 Chapter 58, Acts of the 62nd Legislature, Regular
31 Session, 1971, as Subchapter O, Chapter 51, Water
32 Code. After the district converted to a municipal
33 utility district in 1979, that subchapter no longer
34 applied to the district and Subchapter H, Chapter 54,
35 Water Code, applied instead, as described by Revisor's
36 Note (3) to Section 8279.002. Chapter 715, Acts of the
37 74th Legislature, Regular Session, 1995, repealed some
38 of the relevant provisions of Subchapter H, Chapter
39 54, Water Code, and enacted Subchapter J, Chapter 49,
40 Water Code, to govern the addition of land to a
41 municipal utility district and certain other
42 districts. Subchapter J, Chapter 49, Water Code,
43 applies to the district without an express reference
44 to Subchapter J by this chapter. The remaining
45 relevant provisions of Subchapter H, Chapter 54, Water

1 Code, apply to the district under Section 54.034,
2 Water Code, without an express reference to those
3 sections by this chapter.

4 (2) Section 9, Chapter 838, Acts of the 61st
5 Legislature, Regular Session, 1969, refers to Article
6 7880--75, Vernon's Texas Civil Statutes. Article
7 7880--75 was codified by Chapter 58, Acts of the 62nd
8 Legislature, Regular Session, 1971, as Sections
9 51.714-51.717, Water Code, relating to the addition of
10 land to a water control and improvement district by the
11 petition of the landowner. After the district
12 converted to a municipal utility district in 1979,
13 those sections no longer applied to the district.
14 Instead, Sections 54.711-54.715, Water Code, applied
15 to the district under Section 54.034 of that code. See
16 Revisor's Note (3) to Section 8279.002. Chapter 715,
17 Acts of the 74th Legislature, Regular Session, 1995,
18 repealed Sections 54.711-54.715, Water Code, and
19 enacted Section 49.301, Water Code, to govern the
20 addition of land to a municipal utility district by the
21 petition of the landowner. The revised law is drafted
22 accordingly.

23 (3) Section 9, Chapter 838, Acts of the 61st
24 Legislature, Regular Session, 1969, refers to Article
25 7880--75b, Vernon's Texas Civil Statutes. Article
26 7880--75b was codified by Chapter 58, Acts of the 62nd
27 Legislature, Regular Session, 1971, as Sections
28 51.718-51.724, Water Code, relating to the addition of
29 land to a water control and improvement district by the
30 petition of less than all the landowners. After the
31 district converted to a municipal utility district in
32 1979, those sections no longer applied to the
33 district. Instead, Sections 54.716-54.726, Water
34 Code, applied to the district under Section 54.034 of

1 that code. See Revisor's Note (3) to Section 8279.002.
2 Chapter 715, Acts of the 74th Legislature, Regular
3 Session, 1995, repealed Sections 54.716-54.726, Water
4 Code, and enacted Section 49.302, Water Code, to
5 govern the addition of land to a municipal utility
6 district by the petition of less than all the
7 landowners. The revised law is drafted accordingly.

8 (4) Section 9, Chapter 838, Acts of the 61st
9 Legislature, Regular Session, 1969, refers to
10 "property tax-paying voters." The revised law omits
11 the reference to "property tax-paying" because in Hill
12 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the
13 United States Supreme Court determined that property
14 ownership as a qualification for voting is an
15 unconstitutional denial of equal protection.

16 Revised Law

17 Sec. 8279.006. STATE POLICY REGARDING WASTE DISPOSAL. The
18 district's powers and duties are subject to the state policy of
19 encouraging the development and use of integrated area-wide waste
20 collection, treatment, and disposal systems to serve the waste
21 disposal needs of this state's residents, if integrated systems can
22 reasonably be provided for an area, so as to avoid the economic
23 burden on residents and the effect on state water quality caused by
24 the construction and operation of numerous small waste collection,
25 treatment, and disposal facilities. (Acts 61st Leg., R.S., Ch.
26 838, Sec. 5 (part).)

27 Source Law

28 Sec. 5. . . .
29 The powers and duties conferred on the District
30 are granted subject to the policy of the State to
31 encourage the development and use of integrated
32 area-wide waste collection, treatment and disposal
33 systems to serve the waste disposal needs of the
34 citizens of the State, it being an objective of the
35 policy to avoid the economical burden to the people and
36 the impact on the quality of the waters in the State
37 which result from the construction and operation of
38 numerous small waste collection, treatment and
39 disposal facilities to serve an area when an
40 integrated area-wide waste collection, treatment and
41 disposal system for the area can be reasonably

1 provided.

2 Revisor's Note

3 Section 5, Chapter 838, Acts of the 61st
4 Legislature, Regular Session, 1969, refers to
5 "citizens" of the state. The revised law substitutes
6 "residents" for "citizens" because, in the context of
7 this section, "citizens" and "residents" are
8 synonymous and "residents" is more commonly used.

9 Revisor's Note

10 (End of Subchapter)

11 (1) Section 5, Chapter 838, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 act prevails over any general law that applies to water
14 control and improvement districts and that is in
15 conflict or inconsistent with the act. The general law
16 applicable to water control and improvement districts
17 no longer applies to the district because the district
18 converted to a municipal utility district. See
19 Revisor's Note (3) to Section 8279.002. The revised
20 law omits the provision rather than codifying the
21 provision and substituting a reference to municipal
22 utility districts for the reference to water control
23 and improvement districts because the provision
24 duplicates, in substance, Section 311.026, Government
25 Code (Code Construction Act). The omitted law reads:

26 Sec. 5. [The District shall have and
27 exercise, and is hereby vested with, all of
28 the rights, powers, privileges, authority
29 and functions conferred and imposed by the
30 General Laws of this State now in force or
31 hereafter enacted, applicable to water
32 control and improvement districts created
33 under authority of Article XVI, Section 59
34 of the Constitution of Texas including
35 without limitation those conferred by
36 Chapter 3A, Title 128, Revised Civil
37 Statutes of Texas, 1925;] but to the extent
38 that the provisions of any such General Laws
39 may be in conflict or inconsistent with the
40 provisions of this Act, the provisions of
41 this Act shall prevail. . . .

42 (2) Section 5, Chapter 838, Acts of the 61st
43 Legislature, Regular Session, 1969, provides that any

1 general law relating to water control and improvement
2 districts is adopted and incorporated by reference.
3 The general law applicable to water control and
4 improvement districts no longer applies to the
5 district because the district converted to a municipal
6 utility district. See Revisor's Note (3) to Section
7 8279.002. The revised law omits the provision rather
8 than codifying the provision and substituting a
9 reference to municipal utility districts for the
10 reference to water control and improvement districts
11 because it is not necessary to duplicate by means of
12 adoption and incorporation the substance of general
13 laws applicable to the district. The omitted law
14 reads:

15 Sec. 5. . . . All such General Laws
16 are hereby adopted and incorporated by
17 reference with the same effect as if
18 incorporated in full in this Act. . . .

19 (3) Section 21, Chapter 838, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that
21 Article 970a, Vernon's Texas Civil Statutes (Municipal
22 Annexation Act), does not apply to the creation of the
23 district. The revised law omits that provision as
24 executed. The omitted law reads:

25 Sec. 21. This District is hereby
26 created notwithstanding any of the
27 provisions of the Municipal Annexation Act,
28 being Article 970a, Vernon's Texas Civil
29 Statutes, as amended, and to the extent of
30 the creation of the District only, said
31 Article 970a shall have no
32 application. . . .

33 (4) Section 21, Chapter 838, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that the
35 district is subject to certain other laws. The revised
36 law omits that provision because the laws cited apply
37 by their own terms. Section 21 refers to Article 970a,
38 Vernon's Texas Civil Statutes (Municipal Annexation
39 Act). In 1987, Article 970a was codified as Chapters

1 42 and 43, Local Government Code, and Section 212.003,
2 Local Government Code. Section 21 also refers to
3 Article 1182C--1, Vernon's Texas Civil Statutes, an
4 erroneous reference to Article 1182c--1, Vernon's
5 Texas Civil Statutes. In 1987, Article 1182c--1 was
6 codified as Sections 43.074, 43.075, and 43.081, Local
7 Government Code.

8 The revised law omits "as amended" because, under
9 Section 311.027, Government Code (Code Construction
10 Act), a reference to a statute applies to all
11 reenactments, revisions, or amendments of that
12 statute, unless expressly provided otherwise. The
13 omitted law reads:

14 Sec. 21. . . . In all other respects,
15 the District hereby created is expressly
16 made subject to all provisions of said
17 Article 970a. District shall also be
18 subject to the provisions of Article
19 1182C--1, Vernon's Texas Civil Statutes. as
20 amended.

21 [Sections 8279.007-8279.050 reserved for expansion]

22 SUBCHAPTER B. DISTRICT ADMINISTRATION

23 Revised Law

24 Sec. 8279.051. COMPOSITION OF BOARD. The board consists of
25 five elected directors. (Acts 61st Leg., R.S., Ch. 838, Sec. 10
26 (part).)

27 Source Law

28 Sec. 10. All powers of the District shall be
29 exercised by a Board of five Directors. . . .
30 Succeeding Directors shall be elected or

31 Revisor's Note

32 (1) Section 10, Chapter 838, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that
34 "[a]ll powers of the District shall be exercised by"
35 the board. The revised law omits the quoted language
36 because it duplicates, in substance, provisions of
37 Sections 49.051 and 49.057, Water Code. As indicated
38 throughout this chapter, the revised law omits law

1 that is superseded by Chapter 49, Water Code, or that
2 duplicates law contained in that chapter. Chapter 49,
3 Water Code, applies to the district under Sections
4 49.001 and 49.002 of that chapter.

5 (2) Section 10, Chapter 838, Acts of the 61st
6 Legislature, Regular Session, 1969, refers to
7 "[s]ucceeding [d]irectors" to distinguish the
8 succeeding directors from the initial directors named
9 in that section. The revised law omits "succeeding"
10 because all provisions referring to initial directors
11 are omitted as executed and the distinction is no
12 longer required.

13 Revised Law

14 Sec. 8279.052. APPOINTMENT OF TREASURER. The board may
15 appoint the treasurer. (Acts 61st Leg., R.S., Ch. 838, Sec. 10
16 (part).)

17 Source Law

18 Sec. 10. . . . The Treasurer may be appointed by
19 the Board, and

20 Revised Law

21 Sec. 8279.053. DIRECTOR'S AND TREASURER'S BONDS. (a) Each
22 director shall qualify by giving bond in the amount of \$5,000 for
23 the 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. (Acts 61st Leg.,
28 R.S., Ch. 838, Sec. 10 (part).)

29 Source Law

30 Sec. 10. . . . Each Director shall qualify by
31 subscribing to the Constitutional oath of office and
32 giving bond in the amount of Five Thousand Dollars
33 (\$5,000) for the faithful performance of his duties.
34 . . . The Treasurer . . . shall give bond in such
35 amount as may be required by the Board and conditioned
36 that he or it will faithfully account for all money
37 which shall come into his or its custody as Treasurer
38 of the District.

1 Revisor's Note

2 (1) Section 10, Chapter 838, Acts of the 61st
3 Legislature, Regular Session, 1969, requires each
4 director to qualify "by subscribing to the
5 Constitutional oath of office." The revised law omits
6 the quoted language because it duplicates, in
7 substance, Section 1, Article XVI, Texas Constitution.

8 (2) Section 10, Chapter 838, Acts of the 61st
9 Legislature, Regular Session, 1969, provides that the
10 district shall pay the cost of a director's bond and
11 that the bond shall be approved by the board and
12 recorded in the district office. The revised law omits
13 that provision because it duplicates, in substance,
14 Sections 49.055(c) and (d), Water Code. The omitted
15 law reads:

16 Sec. 10. . . . The cost of such bond
17 shall be paid by the District. . . . The
18 bonds of directors elected or appointed
19 after the directors named below shall be
20 approved by the District's Board of
21 Directors and shall be recorded in a record
22 kept for that purpose in the office of the
23 District. . . .

24 (3) Section 10, Chapter 838, Acts of the 61st
25 Legislature, Regular Session, 1969, requires each
26 director to give bond and provides that "[s]uch bond"
27 shall be approved by the county judge and filed in the
28 office of the county clerk within which the district is
29 located. That section also provides that the bonds of
30 directors elected or appointed after the initial
31 directors shall be approved by the board and shall be
32 recorded in a record kept for that purpose in the
33 district office. Because the provision requiring
34 directors' bonds to be approved by the county judge and
35 filed in the county clerk's office is followed by a
36 provision requiring bonds of successor directors to be
37 approved by the board and recorded in the district's
38 records, it appears from the context that the

1 provision requiring directors' bonds to be approved by
2 the county judge and filed in the office of the county
3 clerk applies only to the bond of an initial director.
4 Accordingly, the revised law omits that provision as
5 executed. The omitted law reads:

6 Sec. 10. . . . Such bond shall be
7 approved by the County Judge and filed in
8 the office of the County Clerk within which
9 the District is located. . . .

10 Revised Law

11 Sec. 8279.054. ABSENCE OR INACTION OF BOARD PRESIDENT. (a)
12 When the board president is absent or fails or declines to act, the
13 board vice president shall perform all duties and exercise all
14 power this chapter or general law gives the president.

15 (b) If the board president is absent from a board meeting:

16 (1) the board vice president may sign an order or other
17 action adopted at the meeting; or

18 (2) the board may authorize the president to sign the
19 order or other action. (Acts 61st Leg., R.S., Ch. 838, Sec. 10
20 (part).)

21 Source Law

22 Sec. 10. . . . The vice-president shall perform
23 all duties and exercise all power conferred by this Act
24 or the General Law upon the president when the
25 president is absent or fails or declines to act. Any
26 order adopted or other action taken at a meeting of the
27 Board of Directors at which the president is absent may
28 be signed by the vice-president, or the Board may
29 authorize the president to sign such order or other
30 action. . . .

31 Revised Law

32 Sec. 8279.055. DISTRICT OFFICE. (a) Except as provided by
33 this section, the board shall designate, establish, and maintain a
34 district office as provided by Section 49.062, Water Code.

35 (b) The board may establish a second district office outside
36 the district. If the board establishes a second district office,
37 the board shall give notice of the location of that office by:

38 (1) filing a copy of the board resolution that
39 establishes the location of the office:

40 (A) with the Texas Commission on Environmental

1 Quality; and

2 (B) in the municipal utility district records of
3 the county in which the district is located; and

4 (2) publishing notice of the location of the office in
5 a newspaper of general circulation in the county in which the
6 district is located.

7 (c) A district office that is a private residence, office,
8 or dwelling is a public place for matters relating to the district's
9 business.

10 (d) The board shall provide notice of any change in the
11 location of the district office outside the district in the manner
12 required by Subsection (b). (Acts 61st Leg., R.S., Ch. 838, Sec.
13 15.)

14 Source Law

15 Sec. 15. The Board of Directors shall
16 designate, establish and maintain a District Office as
17 provided by Article 7880--44, and, in addition, may
18 establish a second District Office outside the
19 district. Either or both District Offices so
20 established and maintained may be a private residence,
21 office or dwelling in which event such private
22 residence, office or dwelling is hereby declared a
23 public place for matters relating to the District's
24 business.

25 If the Board of Directors establishes a District
26 Office outside the District, it shall give notice of
27 the location of that District Office by filing a true
28 copy of its resolution establishing the location of
29 such District Office with the Texas Water Rights
30 Commission, by filing a true copy in the Water Control
31 and Improvement District records of the County in
32 which the District is located and also by publishing
33 the location in a newspaper of general circulation in
34 said County.

35 If the location of the District Office outside
36 the District is thereafter changed, notice of such
37 change shall be given in the same manner.

38 Revisor's Note

39 (1) Section 15, Chapter 838, Acts of the 61st
40 Legislature, Regular Session, 1969, refers to "Article
41 7880--44." Article 7880--44, Vernon's Texas Civil
42 Statutes, was codified by Chapter 58, Acts of the 62nd
43 Legislature, Regular Session, 1971, as Sections 51.094
44 and 51.096, Water Code, relating to the district
45 office and the minutes and records of the district,

1 respectively. After the district converted to a
2 municipal utility district in 1979, those sections no
3 longer applied to the district. See Revisor's Note (3)
4 to Section 8279.002. Chapter 715, Acts of the 74th
5 Legislature, Regular Session, 1995, enacted Section
6 49.062, Water Code, to govern the designation of
7 offices for certain districts, including municipal
8 utility districts. The revised law is drafted
9 accordingly.

10 (2) Section 15, Chapter 838, Acts of the 61st
11 Legislature, Regular Session, 1969, refers to a "true
12 copy" of a document. The revised law omits "true"
13 because a copy, by definition, accurately reflects the
14 content of the original document.

15 (3) Section 15, Chapter 838, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to the
17 "Texas Water Rights Commission." The revised law
18 substitutes "Texas Commission on Environmental
19 Quality" for "Texas Water Rights Commission" to
20 reflect the current name of the agency with the
21 relevant regulatory authority.

22 Revisor's Note
23 (End of Subchapter)

24 (1) Section 10, Chapter 838, Acts of the 61st
25 Legislature, Regular Session, 1969, provides that each
26 director shall serve until the director's successor is
27 elected or appointed and qualified. The revised law
28 omits that provision because Section 17, Article XVI,
29 Texas Constitution, requires an officer in this state
30 to continue to perform the officer's official duties
31 until a successor has qualified. The omitted law
32 reads:

33 Sec. 10. . . . Each Director shall
34 serve for his term of office as herein
35 provided, and thereafter until his
36 successor shall be elected or appointed and
37 qualified. . . .

1 (2) Section 10, Chapter 838, Acts of the 61st
2 Legislature, Regular Session, 1969, names the initial
3 directors, requires them to qualify to serve as
4 directors before the first board meeting, provides for
5 filling vacancies in the office of director, and
6 provides that the named directors or their successors
7 shall serve until the second Tuesday in January 1971.
8 The revised law omits as executed the provisions
9 naming the initial directors, requiring them to
10 qualify by a certain time, and specifying the
11 expiration of their terms. Because the provision
12 specifying the procedure for filling vacancies in the
13 office of director is followed by a provision
14 requiring the named initial directors or their
15 successors to serve until a specified date in 1971, it
16 appears from the context that the provision relating
17 to the filling of vacancies also applies only to the
18 initial directors. Accordingly, the revised law also
19 omits that language as executed. The omitted law
20 reads:

21 Sec. 10. . . . Immediately after
22 this Act becomes effective, the following
23 named persons shall be the directors of the
24 District and shall constitute the Board of
25 Directors of the District: John S. Neilson,
26 Jr., James P. Bailey, James P. Grizzard,
27 Marjorie Cieslewitz, and James L. Grizzard.
28 Said persons shall file their bonds as soon
29 as practicable after the effective date of
30 this Act and shall otherwise be fully
31 qualified to serve as director prior to the
32 first meeting of the Board of Directors.
33 All vacancies in the office of director
34 shall be filled in the manner provided by
35 Article 7880--38, Vernon's Texas Civil
36 Statutes; provided, however, if at any time
37 the number of qualified directors shall be
38 less than three because of the failure or
39 refusal of one or more directors to qualify
40 or serve, or because of his or their death
41 or incapacitation, or for any other reason,
42 then the County Judge of the County in which
43 the district is located shall appoint the
44 necessary number of directors to fill all
45 vacancies on the board. The Directors named
46 above or their duly appointed successor or
47 successors shall serve until the second
48 Tuesday in January, 1971. . . .

1 (3) Section 10, Chapter 838, Acts of the 61st
2 Legislature, Regular Session, 1969, provides for
3 directors to be elected or appointed and to serve for
4 the term and in the manner provided by Article
5 7880--37, Vernon's Texas Civil Statutes. Article
6 7880--37 was codified by Chapter 58, Acts of the 62nd
7 Legislature, Regular Session, 1971, as Section 51.073,
8 Water Code. After the district converted to a
9 municipal utility district in 1979, that section no
10 longer applied to the district. Instead, Section
11 54.103, Water Code, applied to the district under
12 Section 54.034 of that code. See Revisor's Note (3) to
13 Section 8279.002. Chapter 715, Acts of the 74th
14 Legislature, Regular Session, 1995, repealed Section
15 54.103, Water Code, and enacted Section 49.103, Water
16 Code, to govern the terms of office and manner of
17 election of directors of a municipal utility district
18 and certain other districts. Section 49.103, Water
19 Code, applies to the district without an express
20 reference to that section by this chapter. The revised
21 law omits "appointed" because it is clear from the
22 context of Section 10 that the reference applies only
23 to directors appointed to fill vacancies as provided
24 by Chapter 49, Water Code. The omitted law reads:

25 Sec. 10. . . . [Succeeding
26 Directors shall be elected or] appointed
27 and shall serve for the term and in the
28 manner provided by Article 7880--37,
29 Vernon's Texas Civil Statutes. . . .

30 (4) Section 10, Chapter 838, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that
32 three directors constitute a quorum and that a
33 concurrence of three directors is sufficient in all
34 matters relating to the business of the district,
35 including certain construction matters. The revised
36 law omits that provision because it duplicates, in

1 substance, Section 49.053, Water Code. The omitted
2 law reads:

3 Sec. 10. . . . Three Directors shall
4 constitute a quorum of any meeting, and a
5 concurrence of three shall be sufficient in
6 all matters pertaining to the business of
7 the District including the letting of
8 construction contracts and the drawing of
9 warrants in payment for construction work,
10 the purchase of existing facilities, and
11 matters relating to construction
12 work. . . .

13 (5) Section 10, Chapter 838, Acts of the 61st
14 Legislature, Regular Session, 1969, provides for the
15 selection of officers by the board and the powers of
16 the board's president. The revised law omits those
17 provisions because they duplicate, in substance,
18 Section 49.054, Water Code. The omitted law reads:

19 Sec. 10. . . . The Board shall
20 select from its number a President,
21 Vice-President, Secretary and such other
22 officers as in the judgment of the Board is
23 necessary. The president may execute all
24 contracts, construction or otherwise,
25 entered into by the Board of Directors on
26 behalf of the District. . . .

27 [Sections 8279.056-8279.100 reserved for expansion]

28 SUBCHAPTER C. POWERS AND DUTIES

29 Revised Law

30 Sec. 8279.101. MUNICIPAL UTILITY DISTRICT POWERS. (a) The
31 district has all of the rights, powers, privileges, and functions
32 conferred and imposed by the general law of this state relating to
33 municipal utility districts created under Section 59, Article XVI,
34 Texas Constitution, including those conferred by Chapters 49 and
35 54, Water Code.

36 (b) The district may exercise inside or outside the
37 district's boundaries any of the rights or powers granted by this
38 chapter or under the general law relating to municipal utility
39 districts, including the provision of water or sewerage service.
40 (Acts 61st Leg., R.S., Ch. 838, Secs. 5 (part), 16 (part).)

41 Source Law

42 Sec. 5. The District shall have and exercise,
43 and is hereby vested with, all of the rights, powers,

1 privileges, authority and functions conferred and
2 imposed by the General Laws of this State now in force
3 or hereafter enacted, applicable to water control and
4 improvement districts created under authority of
5 Article XVI, Section 59 of the Constitution of Texas
6 including without limitation those conferred by
7 Chapter 3A, Title 128, Revised Civil Statutes of
8 Texas, 1925;

9 Sec. 16. The District may exercise any of the
10 rights, powers and authorities granted in this Act or
11 under the general laws relating to water control and
12 improvement districts within or without the boundaries
13 of the District, and is specifically authorized to
14 exercise any of the rights, powers and authorities in
15 order to provide water and sewerage services to areas
16 within or without the boundaries of the
17 District. . . .

18 Revisor's Note

19 (1) Section 5, Chapter 838, Acts of the 61st
20 Legislature, Regular Session, 1969, states that the
21 district "shall have and exercise, and is hereby
22 vested with," certain powers. The revised law
23 substitutes "has" for the quoted language because in
24 the context of this section, the terms are synonymous
25 and "has" is more commonly used.

26 (2) Section 5, Chapter 838, Acts of the 61st
27 Legislature, Regular Session, 1969, refers to "rights,
28 powers, privileges, authority and functions," and
29 Section 16 of that chapter refers to "rights, powers
30 and authorities." The revised law omits "authority"
31 and "authorities" as included in the meaning of
32 "power" and "powers."

33 (3) Section 5, Chapter 838, Acts of the 61st
34 Legislature, Regular Session, 1969, states that the
35 district has the rights, powers, privileges,
36 authority, and functions conferred by the general laws
37 of this state "now in force or hereafter enacted." The
38 revised law omits the quoted language because it is
39 unnecessary under accepted general principles of
40 statutory construction. The "[g]eneral [l]aws of this
41 [s]tate" means those laws "in force" at the time the
42 provision was adopted. It is not necessary to state

1 that the district may be granted additional powers by
2 later enacted laws because those laws apply on their
3 own terms.

4 (4) Section 5, Chapter 838, Acts of the 61st
5 Legislature, Regular Session, 1969, grants the
6 district certain powers, including "without
7 limitation" the powers conferred by Chapter 3A, Title
8 128, Revised Statutes. The revised law omits "without
9 limitation" because Section 311.005(13), Government
10 Code (Code Construction Act), provides that "includes"
11 and "including" are terms of enlargement and not of
12 limitation and do not create a presumption that
13 components not expressed are excluded.

14 (5) Section 5, Chapter 838, Acts of the 61st
15 Legislature, Regular Session, 1969, refers to "Chapter
16 3A, Title 128, Revised Civil Statutes of Texas, 1925."
17 The relevant provisions of that statute were codified
18 by Chapter 58, Acts of the 62nd Legislature, Regular
19 Session, 1971, as Chapter 51, Water Code. After the
20 district converted to a municipal utility district in
21 1979, Chapter 51, Water Code, no longer applied to the
22 district. Instead, Chapter 54, Water Code, applies to
23 the district under Section 54.034 of that code. See
24 Revisor's Note (3) to Section 8279.002. In 1995,
25 Section 2, Chapter 715, Acts of the 74th Legislature,
26 Regular Session, enacted Chapter 49, Water Code. To
27 reflect those changes, the revised law substitutes a
28 reference to Chapters 49 and 54, Water Code, for the
29 reference to "Chapter 3A, Title 128, Revised Civil
30 Statutes of Texas, 1925."

31 (6) Section 5, Chapter 838, Acts of the 61st
32 Legislature, Regular Session, 1969, refers to the
33 continuing right of this state to supervise the
34 district through the Texas Water Rights Commission.

1 The revised law omits the provision because the Texas
2 Commission on Environmental Quality is the successor
3 to the Texas Water Rights Commission, and therefore
4 the provision duplicates, in substance, part of
5 Section 12.081, Water Code, which applies to the
6 district. The omitted law reads:

7 Sec. 5. . . .
8 The rights, powers, privileges,
9 authority and functions herein granted to
10 the District shall be subject to the
11 continuing right of supervision of the
12 State, to be exercised by and through the
13 Texas Water Rights Commission. . . .

14 (7) Section 16, Chapter 838, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that the
16 district "is specifically authorized to exercise any
17 of the [district's] rights, powers and authorities in
18 order to" take certain actions. The revised law
19 substitutes "may" for "is specifically authorized to"
20 because that term is more concise and is the
21 substantive equivalent of the quoted language.

22 Revised Law

23 Sec. 8279.102. ADDITIONAL POWERS. (a) The district may:

24 (1) make, purchase, construct, lease, or otherwise
25 acquire property, works, facilities, existing improvements, or
26 improvements to be made, constructed, or acquired that are:

27 (A) inside or outside the district's boundaries;
28 and

29 (B) necessary to carry out the powers granted by
30 this chapter or general law; or

31 (2) enter into a contract with a person on terms the
32 board considers desirable, fair, and advantageous for:

33 (A) the purchase or sale of water;

34 (B) the transportation, treatment, and disposal
35 of the domestic, industrial, or communal wastes of the district or
36 others;

37 (C) the continuing and orderly development of

1 land and property in the district through the purchase,
2 construction, or installation of facilities, works, or
3 improvements that the district is otherwise authorized to do or
4 perform so that, to the greatest extent reasonably possible,
5 considering sound engineering and economic practices, all of the
6 land and property may ultimately receive the services of the
7 facilities, works, or improvements; and

8 (D) the performance of any of the powers granted
9 by this chapter or the general law relating to municipal utility
10 districts.

11 (b) A contract under Subsection (a)(2) may not have a
12 duration of more than 40 years. (Acts 61st Leg., R.S., Ch. 838,
13 Sec. 5(part).)

14 Source Law

15 Sec. 5. . . .

16 Not by way of limitation, the District shall have
17 and is hereby expressly granted the following rights,
18 powers, privileges and functions:

19 (a) The power and authority to make, purchase,
20 construct, lease, or otherwise acquire property,
21 works, facilities and improvements (whether
22 previously existing or to be made, constructed or
23 acquired) within or without the boundaries of the
24 District necessary to carry out the powers and
25 authority granted by this Act and the General Laws.

26 (b) The right, power and authority to enter into
27 contracts, of not exceeding forty (40) years duration
28 with persons, corporations, public or private,
29 municipal corporations, political subdivisions of the
30 State of Texas, and others, on such terms and
31 conditions as the Board of Directors may deem
32 desirable, fair and advantageous for:

33 (1) the purchase and sale of water, or
34 either;

35 (2) the transportation, treatment and
36 disposal of its domestic, industrial or communal
37 wastes or the transportation, treatment and disposal
38 of domestic, industrial or communal wastes of others;

39 (3) the continuing and orderly development
40 of the lands and property within the District through
41 the purchase, construction or installation of
42 facilities, works or improvements which the District
43 may otherwise be empowered and authorized to do or
44 perform so that, to the greatest extent reasonably
45 possible, considering sound engineering and economic
46 practices, all of such lands and property may be placed
47 in a position to ultimately receive the services of
48 such facilities, works or improvements; and

49 (4) the performance of any of the rights or
50 powers granted in this Act and the General Laws
51 relating to water control and improvement
52 districts. . . .

1 Revisor's Note

2 (1) Section 5, Chapter 838, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that,
4 "[n]ot by way of limitation," the district has certain
5 specified rights, powers, privileges, and functions.
6 The revised law omits the quoted language because it is
7 an accepted general principle of statutory
8 construction that a grant of a right, power,
9 privilege, or function does not act as a limitation.
10 The general principle applies to this revision.

11 (2) Section 5, Chapter 838, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that the
13 district "shall have and is hereby expressly granted
14 the following rights, powers, privileges and
15 functions" to take certain actions. The revised law
16 substitutes "may" for the quoted language because that
17 term is more concise and is the substantive equivalent
18 of the quoted language.

19 (3) Section 5, Chapter 838, Acts of the 61st
20 Legislature, Regular Session, 1969, refers to the
21 power of the district to enter into contracts with
22 persons, "corporations, public or private, municipal
23 corporations, political subdivisions of the State of
24 Texas, and others." The revised law omits the quoted
25 language because under Section 311.005(2), Government
26 Code (Code Construction Act), "person" is defined to
27 include any legal entity.

28 (4) Section 5, Chapter 838, Acts of the 61st
29 Legislature, Regular Session, 1969, provides that the
30 district may enter into a contract on "terms and
31 conditions" the board considers desirable, fair, and
32 advantageous. The revised law omits the reference to
33 "conditions" because "conditions" is included in the
34 meaning of "terms."

1 Revised Law

2 Sec. 8279.103. EMINENT DOMAIN. The district may exercise
3 the power of eminent domain only in a county in which the district
4 is located. (Acts 61st Leg., R.S., Ch. 838, Sec. 13 (part).)

5 Source Law

6 Sec. 13. The power of eminent domain of the
7 District shall be limited to the county or counties in
8 which the District is situated. . . .

9 Revised Law

10 Sec. 8279.104. COST OF RELOCATING OR ALTERING PROPERTY.

11 (a) In this section, "sole expense" means the actual cost of
12 relocating, raising, lowering, rerouting, changing the grade of, or
13 altering the construction of a facility described by Subsection (b)
14 in providing comparable replacement without enhancement of the
15 facility, after deducting from that cost the net salvage value of
16 the old facility.

17 (b) If the district's exercise of the power of eminent
18 domain makes necessary the relocation, raising, rerouting,
19 changing the grade, or alteration of the construction of a highway,
20 a railroad, an electric transmission line, a telegraph or telephone
21 property or facility, or a pipeline, the necessary action shall be
22 accomplished at the sole expense of the district. (Acts 61st Leg.,
23 R.S., Ch. 838, Sec. 13 (part).)

24 Source Law

25 Sec. 13. . . . In the event that the District,
26 in the exercise of the power granted hereunder, makes
27 necessary the relocation, raising, rerouting or
28 changing the grade of, or altering the construction
29 of, any highway, railroad, electric transmission line,
30 telegraph or telephone properties and facilities, or
31 pipeline, all such necessary relocation, raising,
32 rerouting, changing of grade or alteration of
33 construction shall be accomplished at the sole expense
34 of the District. The term "sole expense" shall mean
35 the actual cost of such relocation, raising, lowering,
36 rerouting, or change in grade or alteration of
37 construction in providing comparable replacement
38 without enhancement of such facilities, after
39 deducting therefrom the net salvage value derived from
40 the old facility.

41 Revised Law

42 Sec. 8279.105. NOTICE OF ELECTION. The board president or
43 secretary may give notice of an election. (Acts 61st Leg., R.S.,

1 Ch. 838, Sec. 19 (part).)

2 Source Law

3 Sec. 19. Notice of all elections may be given
4 under the hand of either the president or the secretary
5 of the District. . . .

6 Revisor's Note
7 (End of Subchapter)

8 Section 13, Chapter 838, Acts of the 61st
9 Legislature, Regular Session, 1969, states that the
10 district may use public roadways, streets, alleys, or
11 public easements. The revised law omits the provision
12 because it duplicates, in substance, Section 49.220,
13 Water Code. The omitted law reads:

14 Sec. 13. . . . The District shall
15 have the right, power and authority to use
16 any and all public roadways, streets,
17 alleys or public easements within or
18 without the boundaries of the District in
19 the accomplishment of its purposes without
20 the necessity of securing a
21 franchise. . . .

22 [Sections 8279.106-8279.150 reserved for expansion]

23 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

24 Revised Law

25 Sec. 8279.151. TAX METHOD. (a) The district shall use the
26 ad valorem plan of taxation.

27 (b) The board is not required to call or hold a hearing on
28 the adoption of a plan of taxation. (Acts 61st Leg., R.S., Ch. 838,
29 Sec. 8.)

30 Source Law

31 Sec. 8. The ad valorem plan of taxation shall be
32 used by the District and it shall not be necessary for
33 the Board of Directors to call or hold a hearing on the
34 adoption of a plan of taxation.

35 Revised Law

36 Sec. 8279.152. DISTRICT ACCOUNTS. The district shall keep
37 a complete system of the district's accounts. (Acts 61st Leg.,
38 R.S., Ch. 838, Sec. 14 (part).)

39 Source Law

40 Sec. 14. . . .
41 A complete system of accounts shall be kept by the
42 District and

1 Revised Law

2 Sec. 8279.153. COPY OF AUDIT REPORT. A copy of the audit
3 report prepared under Subchapter G, Chapter 49, Water Code, shall
4 be delivered:

5 (1) to each director; and

6 (2) to a holder of at least 25 percent of the
7 outstanding bonds of the district, on request. (Acts 61st Leg.,
8 R.S., Ch. 838, Sec. 14 (part); New.)

9 Source Law

10 Sec. 14. . . . A written report of the audit
11 shall be delivered to each member of the Board of
12 Directors . . . a copy of such audit report shall be
13 delivered upon request to the holder or holders of at
14 least twenty-five percent (25%) of the then
15 outstanding bonds of the District; and

16 Revisor's Note

17 (1) Section 14, Chapter 838, Acts of the 61st
18 Legislature, Regular Session, 1969, refers to various
19 audit procedures, including who may receive a copy of
20 the audit report. As detailed in the revisor's notes
21 that follow, procedures that are superseded by
22 Subchapter G, Chapter 49, Water Code, have been
23 omitted as superseded by Section 49.191(b), Water
24 Code, and the specific provisions in Subchapter G that
25 conflict with Chapter 838, Acts of the 61st
26 Legislature, Regular Session, 1969. Section 49.191(b)
27 states that Subchapter G "shall take precedence over
28 all prior statutory enactments." Subchapter G,
29 Chapter 49, Water Code, was enacted in 1995 by Section
30 2, Chapter 715, Acts of the 74th Legislature, Regular
31 Session. For context and the convenience of the
32 reader, the revised law adds a reference to the audit
33 report required by Subchapter G, Chapter 49, Water
34 Code.

35 (2) Section 14, Chapter 838, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that an
37 annual audit of the district's affairs shall be

1 prepared by an independent certified public accountant
2 or a firm of independent certified public accountants
3 of recognized integrity and ability. The revised law
4 omits that provision as superseded by Sections
5 49.191(b) and (c), Water Code (enacted by Section 2,
6 Chapter 715, Acts of the 74th Legislature, Regular
7 Session, 1995). The omitted law reads:

8 Sec. 14. . . . an audit of its
9 affairs for each year shall be prepared by
10 an independent certified public accountant,
11 or a firm of independent certified public
12 accountants, of recognized integrity and
13 ability. . . .

14 (3) Section 14, Chapter 838, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that a
16 written report of the audit shall be delivered to each
17 board member not later than 90 days after the close of
18 each fiscal year. The revised law omits the deadline
19 for delivery of the report as superseded by Sections
20 49.191(b) and (d), Water Code (enacted by Section 2,
21 Chapter 715, Acts of the 74th Legislature, Regular
22 Session, 1995). The omitted law reads:

23 Sec. 14. . . . [A written report of
24 the audit shall be delivered to each member
25 of the Board of Directors] not later than
26 ninety (90) days after the close of each
27 fiscal year; and

28 (4) Section 14, Chapter 838, Acts of the 61st
29 Legislature, Regular Session, 1969, provides that at
30 least five copies of the audit report shall be
31 delivered to the district office and that one of those
32 copies shall constitute a public record. The revised
33 law omits those provisions as superseded by Sections
34 49.191(b), 49.194(c), and 49.196(b), Water Code
35 (enacted by Section 2, Chapter 715, Acts of the 74th
36 Legislature, Regular Session, 1995). The omitted law
37 reads:

38 Sec. 14. . . . at least five (5)
39 additional copies of said audit shall be
40 delivered to the office of the District, one

1 of which shall be kept on file, and shall
2 constitute a public record open to
3 inspection by any interested person or
4 persons within normal office hours;
5 and

6 (5) Section 14, Chapter 838, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that one
8 copy of the audit report shall be filed with the Texas
9 Water Rights Commission. The revised law omits that
10 provision as superseded by Sections 49.191(b) and
11 49.194(a), Water Code (enacted by Section 2, Chapter
12 715, Acts of the 74th Legislature, Regular Session,
13 1995). The omitted law reads:

14 Sec. 14. . . . one copy of such
15 audit report shall be filed with the Texas
16 Water Rights Commission. . . .

17 (6) Section 14, Chapter 838, Acts of the 61st
18 Legislature, Regular Session, 1969, provides that the
19 district shall pay the cost of the audit. The revised
20 law omits that provision because it duplicates Section
21 49.191(a), Water Code. The omitted law reads:

22 Sec. 14. . . . The cost of such audit
23 shall be paid for by the District.

24 Revised Law

25 Sec. 8279.154. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.

26 The district is not required to pay a tax or assessment on:

- 27 (1) district property; or
28 (2) a purchase made by the district. (Acts 61st Leg.,
29 R.S., Ch. 838, Sec. 22 (part).)

30 Source Law

31 Sec. 22. . . . the District shall not be
32 required to pay any tax or assessment on its properties
33 or any part thereof or on any purchases made by the
34 District.

35 Revised Law

36 Sec. 8279.155. DEPOSITORY. (a) The board shall select one
37 or more banks in this state to act as depository for the district's
38 money.

39 (b) To the extent that money in the depository bank is not
40 insured by the Federal Deposit Insurance Corporation, the money

1 must be secured in the manner provided by law for the security of
2 county funds.

3 (c) A director may be a shareholder in a bank that is a
4 depository of district money. (Acts 61st Leg., R.S., Ch. 838, Sec.
5 14 (part).)

6 Source Law

7 Sec. 14. The Board of Directors of the District
8 shall select any bank or banks in the State of Texas to
9 act as depository or depositories for the funds of the
10 District. To the extent that funds in the depository
11 bank or banks are not insured by the Federal Deposit
12 Insurance Corporation, they shall be secured in the
13 manner provided by law for the security of county
14 funds. Any Director of the District may be a
15 shareholder in said depository bank or banks. . . .

16 Revisor's Note

17 Section 14, Chapter 838, Acts of the 61st
18 Legislature, Regular Session, 1969, refers to the
19 district's "funds." The revised law substitutes
20 "money" for "funds" because, in the context of
21 district funds, the meaning is the same and "money" is
22 the more commonly used term.

23 Revisor's Note
24 (End of Subchapter)

25 Section 14, Chapter 838, Acts of the 61st
26 Legislature, Regular Session, 1969, provides that the
27 district's fiscal year is January 1 to December 31
28 unless changed by the board. The revised law omits the
29 provision specifying the dates of the fiscal year as
30 executed because the board has already changed the
31 district's fiscal year. The revised law omits the
32 provision allowing the board to change the district's
33 fiscal year because it duplicates Section 49.158,
34 Water Code. The omitted law reads:

35 Sec. 14. . . . The fiscal year of the
36 District shall be from January 1 to December
37 31 of the same year, unless and until
38 changed by the Board of Directors. . . .

39 [Sections 8279.156-8279.200 reserved for expansion]

1 SUBCHAPTER E. BONDS

2 Revised Law

3 Sec. 8279.201. AUTHORITY TO ISSUE BONDS. The district may
4 issue bonds to provide water and sewer service to areas inside or
5 outside the boundaries of the district, regardless of whether the
6 areas are contiguous or noncontiguous. (Acts 61st Leg., R.S., Ch.
7 838, Sec. 16 (part).)

8 Source Law

9 Sec. 16. . . . The District may issue bonds to
10 provide water and sewer service to areas within or
11 without the boundaries of the district, whether such
12 area or areas are contiguous or non-contiguous.

13 Revised Law

14 Sec. 8279.202. LOST OR MUTILATED BONDS. A trust indenture
15 securing bonds issued under this chapter may provide for the
16 issuance of bonds to replace lost or mutilated bonds. (Acts 61st
17 Leg., R.S., Ch. 838, Sec. 12 (part).)

18 Source Law

19 Sec. 12.
20 . . . [Such bonds . . . may be additionally
21 secured by a deed of trust or mortgage lien]
22 Such trust indenture, . . . may make provisions for
23 . . . the issuance of bonds to replace lost or
24 mutilated bonds, and

25 Revised Law

26 Sec. 8279.203. USE OF BOND PROCEEDS DURING CONSTRUCTION.
27 (a) The district may appropriate or set aside out of the proceeds
28 from the sale of any bonds issued under this chapter an amount for
29 the payment of interest, administrative, and operating expenses
30 expected to accrue during a period of construction, as may be
31 provided in the bond orders or resolutions.
32 (b) For purposes of this section, the period of construction
33 may not exceed three years. (Acts 61st Leg., R.S., Ch. 838, Sec. 12
34 (part).)

35 Source Law

36 Sec. 12. . . .
37 From the proceeds of sale of any bonds issued
38 hereunder, the District may appropriate or set aside
39 out of the bond proceeds an amount for the payment of
40 interest, administrative and operating expenses
41 expected to accrue during the period of construction,

1 (such period not to exceed three (3) years), as may be
2 provided in the bond orders or resolutions, and

3 Revised Law

4 Sec. 8279.204. REFUNDING BONDS. (a) By order or resolution
5 adopted by the board, the district may issue revenue refunding
6 bonds or tax-revenue refunding bonds to refund revenue bonds or
7 tax-revenue bonds, whether original bonds or refunding bonds,
8 previously issued by the district.

9 (b) The comptroller shall register the refunding bonds on
10 the surrender and cancellation of the bonds to be refunded.

11 (c) Instead of issuing bonds to be registered on the
12 surrender and cancellation of the bonds to be refunded, the
13 district, in the order or resolution authorizing the issuance of
14 the refunding bonds, may provide for the sale of the refunding bonds
15 and the deposit of the proceeds in the place or places where the
16 bonds to be refunded are payable. In that case, the refunding bonds
17 may be issued if an amount sufficient to pay the principal of and
18 interest on the bonds to be refunded to their maturity dates, or to
19 their option dates if according to their terms the bonds have been
20 called for payment before maturity, has been deposited in the place
21 or places where the bonds to be refunded are payable, and the
22 comptroller shall register the refunding bonds without the
23 surrender and cancellation of the bonds to be refunded. (Acts 61st
24 Leg., R.S., Ch. 838, Sec. 12 (part).)

25 Source Law

26 Sec. 12. . . .

27 By orders or resolutions adopted by its Board of
28 Directors, said District shall have the power and
29 authority to issue revenue refunding bonds or
30 tax-revenue refunding bonds to refund revenue bonds or
31 tax-revenue bonds (either original bonds or refunding
32 bonds) theretofore issued by such District. Said
33 refunding bonds shall be approved by the Attorney
34 General as in the case of original bonds, and shall be
35 registered by the Comptroller of Public Accounts upon
36 the surrender and cancellation of the bonds to be
37 refunded, but in lieu thereof, the orders or
38 resolutions authorizing their issuance may provide
39 that they shall be sold and the proceeds thereof
40 deposited in the place or places where the underlying
41 bonds are payable, in which case the refunding bonds
42 may be issued provided an amount sufficient to pay the
43 interest and principal on the underlying bonds to
44 their maturity dates, or to their option dates if said
45 bonds have been duly called for payment prior to

1 maturity according to their terms, has been so
2 deposited in the place or places where said underlying
3 bonds are payable, and the Comptroller of Public
4 Accounts shall register them without the surrender and
5 cancellation of the underlying bonds. . . .

6 Revisor's Note

7 (1) Section 12, Chapter 838, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that the
9 district "shall have the power and authority" to issue
10 certain bonds. The revised law substitutes "may" for
11 the quoted language for the reason stated in Revisor's
12 Note (2) to Section 8279.102.

13 (2) Section 12, Chapter 838, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that
15 refunding bonds "shall be approved by the Attorney
16 General as in the case of original bonds." The revised
17 law omits the quoted language because it is superseded
18 by Section 1202.003, Government Code, enacted in 1987
19 as Section 3.002(a), Chapter 53, Acts of the 70th
20 Legislature, 2nd Called Session (Article 717k-8,
21 Vernon's Texas Civil Statutes). That section applies
22 to district bonds by application of Section 1202.001,
23 Government Code.

24 (3) Section 12, Chapter 838, Acts of the 61st
25 Legislature, Regular Session, 1969, refers to bonds
26 that have been "duly" called for payment before their
27 maturity. The revised law omits "duly" in this context
28 because it does not add to the clear meaning of the
29 law.

30 Revisor's Note
31 (End of Subchapter)

32 (1) Section 11, Chapter 838, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that the
34 district shall comply with the requirements of Article
35 7880--139, Vernon's Texas Civil Statutes. Article
36 7880--139 was codified by Chapter 58, Acts of the 62nd
37 Legislature, Regular Session, 1971, as Sections 51.421

1 and 51.422, Water Code. After the district was
2 converted to a municipal utility district in 1979,
3 those sections no longer applied to the district.
4 Instead, Sections 54.516 and 54.517, Water Code,
5 applied to the district under Section 54.034 of that
6 code. See Revisor's Note (3) to Section 8279.002.
7 Chapter 715, Acts of the 74th Legislature, Regular
8 Session, 1995, repealed Sections 54.516 and 54.517,
9 Water Code, and enacted Sections 49.181 and 49.182,
10 Water Code, to govern the authority of the Texas
11 Commission on Environmental Quality over the issuance
12 of district bonds and supervision by the commission of
13 projects and improvements, respectively. Sections
14 49.181 and 49.182, Water Code, apply to the district on
15 their own terms, without an express reference to those
16 sections in this chapter. The omitted law reads:

17 Sec. 11. The District shall comply
18 with the requirements of Article 7880--139,
19 Vernon's Texas Civil Statutes as it
20 presently exists or as it may be hereafter
21 amended.

22 (2) Section 12, Chapter 838, Acts of the 61st
23 Legislature, Regular Session, 1969, refers to the
24 district's authority to issue bonds for specific
25 purposes. The revised law omits that provision
26 because it duplicates Section 54.501, Water Code. The
27 omitted law reads:

28 Sec. 12. The District is hereby
29 authorized to issue [its negotiable tax
30 bonds, revenue bonds, or tax and revenue]
31 bonds to provide funds for any or all of the
32 purposes set out or incorporated by
33 reference herein, including the acquisition
34 of land therefor, and

35 (3) Section 12, Chapter 838, Acts of the 61st
36 Legislature, Regular Session, 1969, authorizes the
37 district to issue "negotiable" bonds and provides for
38 the payment of those bonds. The revised law omits the
39 reference to "negotiable" bonds because Section

1 1201.041, Government Code, provides that a public
2 security is a negotiable instrument. Section 1201.041
3 applies to district bonds by application of Section
4 1201.002, Government Code. The revised law omits the
5 provision regarding the payment of district bonds
6 because the provision duplicates, in substance,
7 Section 54.503, Water Code. The omitted law reads:

8 Sec. 12. [The District is hereby
9 authorized to issue] its negotiable tax
10 bonds, revenue bonds, or tax and revenue
11 [bonds]

12 The bonds issued hereunder may be
13 payable from all or any designated part or
14 parts of the revenues of the District's
15 properties and facilities or under specific
16 contracts, as may be provided in the orders
17 or resolutions authorizing the issuance of
18 such bonds; and,

19 (4) Section 12, Chapter 838, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that
21 district bonds shall be issued under Chapter 3A, Title
22 128, and Article 7880--90a, Vernon's Texas Civil
23 Statutes. Chapter 58, Acts of the 62nd Legislature,
24 Regular Session, 1971, codified the relevant
25 provisions of Chapter 3A, Title 128, as Chapter 51,
26 Water Code. The same act codified Article 7880--90a as
27 Sections 51.450-51.454, Water Code. The revised law
28 omits the references to those laws because the
29 district converted from a water control and
30 improvement district governed by Chapter 51, Water
31 Code, to a municipal utility district governed by
32 Chapter 54, Water Code. See Revisor's Note (3) to
33 Section 8279.002. The provisions of Chapter 54, Water
34 Code, apply on their own terms. The omitted law reads:

35 Sec. 12. . . . said bonds shall be
36 issued in the manner provided and as
37 authorized by Article 7880--90a, Vernon's
38 Texas Civil Statutes and Chapter 3A of Title
39 128, Vernon's Texas Civil Statutes, as
40 presently or hereafter amended,

41 (5) Section 12, Chapter 838, Acts of the 61st
42 Legislature, Regular Session, 1969, provides that an

1 election is not required for bonds payable from
2 revenues. The revised law omits that provision
3 because it duplicates, in substance, Section 54.505,
4 Water Code. The omitted law reads:

5 Sec. 12. . . . provided, however,
6 that bonds payable solely from net revenues
7 may be issued by resolution or order of the
8 Board of Directors and no election therefor
9 shall be necessary. . . .

10 (6) Section 12, Chapter 838, Acts of the 61st
11 Legislature, Regular Session, 1969, provides that
12 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
13 applies to bonds issued under Section 12 except when
14 Chapter 3A is inconsistent or in conflict with Section
15 12. The revised law omits the provision for the
16 reasons stated in Revisor's Note (4) to the end of this
17 subchapter and Revisor's Note (1) to the end of
18 Subchapter A. The omitted law reads:

19 Sec. 12. . . . except as the same may
20 be inconsistent or in conflict with the
21 provisions of this Act, the provisions of
22 said Chapter 3A of Title 128, as presently
23 or hereafter amended, shall apply to all
24 bonds issued under the provisions of this
25 Act (the provisions of this Act to govern
26 and take precedence in the event of any such
27 inconsistency or conflict). . . .

28 (7) Section 12, Chapter 838, Acts of the 61st
29 Legislature, Regular Session, 1969, provides for
30 additional security for bonds. The revised law omits
31 that provision because it duplicates Section 54.504,
32 Water Code. The omitted law reads:

33 Sec. 12. . . .
34 Such bonds, within the discretion of
35 the Board of Directors, may be additionally
36 secured by a deed of trust or mortgage lien
37 upon part or all of the physical properties
38 of the District, and franchises, easements,
39 water rights and appropriation permits,
40 leases, and contracts and all rights
41 appurtenant to such properties, vesting in
42 the trustee power to sell such properties
43 for payment of the indebtedness, power to
44 operate the properties and all other powers
45 and authority for the further security of
46 the bonds. [Such trust indenture,]
47 regardless of the existence of the deed of
48 trust or mortgage lien on the properties,

1 may contain provisions prescribed by the
2 Board of Directors for the security of the
3 bonds and the preservation of the trust
4 estate, and [may make provisions for]
5 amendment or modification thereof and . . .
6 may condition the right to expend District
7 money or sell District property upon
8 approval of a registered professional
9 engineer selected as provided therein and
10 may make provisions for investment of funds
11 of the District. Any purchaser under a sale
12 under the deed of trust or mortgage lien,
13 where one is given, shall be absolute owner
14 of the properties, facilities and rights so
15 purchased and shall have the right to
16 maintain and operate same. . . .

17 (8) Section 12, Chapter 838, Acts of the 61st
18 Legislature, Regular Session, 1969, specifies various
19 provisions of bonds. The revised law omits that
20 provision because it duplicates Section 54.510, Water
21 Code. The omitted law reads:

22 Sec. 12. . . .
23 In the orders or resolutions
24 authorizing the issuance of any revenue,
25 tax-revenue, revenue refunding, or
26 tax-revenue refunding bonds authorized
27 hereunder, the District's Board of
28 Directors may provide for the flow of funds,
29 the establishment and maintenance of the
30 interest and sinking fund or funds, reserve
31 fund or funds, and other funds, and may make
32 additional covenants with respect to the
33 bonds and the pledged revenues and the
34 operation and maintenance of those
35 improvements and facilities (the revenues
36 of which are pledged), including provisions
37 for the operation or for the leasing of all
38 or any part of said improvements and
39 facilities and the use or pledge of moneys
40 derived from such operation contracts and
41 leases, as such Board may deem appropriate.
42 Such orders or resolutions may also
43 prohibit the further issuance of bonds or
44 other obligations payable from the pledged
45 revenues, or may reserve the right to issue
46 additional bonds to be secured by a pledge
47 of and payable from said revenues on a
48 parity with, or subordinate to, the lien and
49 pledge in support of the bonds being issued,
50 subject to such conditions as are set forth
51 in such orders or resolutions. Such orders
52 or resolutions may contain other provisions
53 and covenants, as the District's Board may
54 determine, not prohibited by the
55 Constitution of Texas or by this Act, and
56 said Board may adopt and cause to be
57 executed any other proceedings or
58 instruments necessary and/or convenient in
59 the issuance of any such bonds. . . .

60 (9) Section 12, Chapter 838, Acts of the 61st
61 Legislature, Regular Session, 1969, provides for the

1 use of bond proceeds to pay expenses incurred and to be
2 incurred in the issuance, sale, and delivery of the
3 bonds. The revised law omits that provision because it
4 duplicates, in substance, Section 49.155, Water Code.
5 The omitted law reads:

6 Sec. 12. . . .
7 [From the proceeds of sale of any bonds
8 issued hereunder, the District may
9 appropriate or set aside out of the bond
10 proceeds] . . . an amount necessary to pay
11 all expenses incurred and to be incurred in
12 the issuance, sale and delivery of the
13 bonds. . . .

14 (10) Section 12, Chapter 838, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that
16 money in a fund established or provided for in a bond
17 order or resolution may be invested in securities as
18 provided in the bond order or may be placed on
19 interest-bearing time deposit. The revised law omits
20 that provision because it is superseded by Subchapter
21 A, Chapter 2256, Government Code (enacted as Chapter
22 889, Acts of the 70th Legislature, Regular Session,
23 1987). The omitted law reads:

24 Sec. 12. . . . Moneys in the interest
25 and sinking fund or funds and the reserve
26 fund or funds, and in the other fund or
27 funds established or provided for in the
28 bond orders or resolutions may be invested
29 in such manner and in such securities as may
30 be provided in the bond order or orders or
31 may be placed on interest-bearing time
32 deposit. . . .

33 (11) Section 12, Chapter 838, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that bond
35 proceeds may be invested in securities of the United
36 States or placed on interest-bearing time deposit.
37 The revised law omits that provision as superseded by
38 Subchapter A, Chapter 2256, Government Code (enacted
39 as Chapter 889, Acts of the 70th Legislature, Regular
40 Session, 1987). The omitted law reads:

41 Sec. 12. . . . Until such time as the
42 bond proceeds are needed to carry out the
43 bond purpose, such proceeds may be invested

1 in securities of the United States
2 Government or any agency thereof or may be
3 placed on interest-bearing time deposit,
4 either or both. . . .

5 (12) Section 12, Chapter 838, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that
7 district bonds may be registered as to principal or as
8 to principal and interest. The revised law omits that
9 provision because it duplicates Section 1201.024,
10 Government Code. That section applies to district
11 bonds by application of Section 1201.002, Government
12 Code. The omitted law reads:

13 Sec. 12. . . . Any such revenue
14 bonds, tax-revenue, revenue refunding
15 bonds, or tax-revenue refunding bonds
16 hereinafter mentioned may be registrable as
17 to principal, or as to both principal and
18 interest. . . .

19 (13) Section 12, Chapter 838, Acts of the 61st
20 Legislature, Regular Session, 1969, requires the
21 district to deliver its bonds to the attorney general
22 for examination and approval. The revised law omits
23 that provision because it duplicates, in substance,
24 Section 1202.003, Government Code. Section 1202.003,
25 Government Code, applies to district bonds by
26 application of Section 1202.001, Government Code. The
27 omitted law reads:

28 Sec. 12. . . .
29 After any bonds have been authorized
30 by the District hereunder, such bonds and
31 the record relating to their issuance shall
32 be submitted to the Attorney General of the
33 State of Texas for his examination as to the
34 validity thereof, and

35 (14) Section 12, Chapter 838, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that
37 after approval the bonds shall be registered with the
38 comptroller. The revised law omits that provision as
39 superseded by Section 1202.005, Government Code
40 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
41 of the 70th Legislature, 2nd Called Session). Section
42 1202.005, Government Code, applies to district bonds

1 by application of Section 1202.001, Government Code.

2 The omitted law reads:

3 Sec. 12. . . . after said Attorney
4 General has approved the same, such bonds
5 shall be registered by the Comptroller of
6 Public Accounts of the State of
7 Texas. . . .

8 (15) Section 12, Chapter 838, Acts of the 61st
9 Legislature, Regular Session, 1969, provides that
10 after approval and registration, district bonds are
11 incontestable except for forgery or fraud. The
12 revised law omits that provision as impliedly repealed
13 by Section 1202.006, Government Code (enacted as
14 Section 3.002(d), Chapter 53, Acts of the 70th
15 Legislature, 2nd Called Session, 1987). Section
16 1202.006, Government Code, provides that after
17 approval and registration, bonds are incontestable for
18 any reason. Section 1202.006 applies to district
19 bonds by application of Section 1202.001, Government
20 Code. The omitted law reads:

21 Sec. 12. . . . When such bonds have
22 been approved by the Attorney General,
23 registered by the Comptroller of Public
24 Accounts, and delivered to the purchasers,
25 they shall thereafter be incontestable
26 except for forgery or fraud. . . .

27 (16) Section 12, Chapter 838, Acts of the 61st
28 Legislature, Regular Session, 1969, details various
29 procedures regarding the attorney general's approval
30 of bond contracts and proceedings. The revised law
31 omits the portion of Section 12 regarding the
32 incontestability of a contract the proceeds of which
33 are pledged to the payment of a bond as impliedly
34 repealed by Section 1202.006, Government Code (enacted
35 as Section 3.002(d), Chapter 53, Acts of the 70th
36 Legislature, 2nd Called Session, 1987). Section
37 1202.006, Government Code, provides that after
38 approval and registration of the bond, the bond and
39 contract are incontestable for any reason. Section

1 1202.006 applies to district bonds by application of
2 Section 1202.001, Government Code. The omitted law
3 reads:

4 Sec. 12. . . . When any bonds recite
5 that they are secured partially or
6 otherwise by a pledge of the proceeds of a
7 contract or contracts made between the
8 District and another party or parties
9 (private or public) a copy of such contract
10 or contracts and the proceedings
11 authorizing the same may or may not be
12 submitted to the Attorney General along
13 with the bond record and, if so submitted,
14 the approval by the Attorney General of the
15 bonds shall constitute an approval of such
16 contract or contracts, and thereafter the
17 contract or contracts shall be
18 incontestable for any cause except for
19 forgery or fraud. . . .

20 (17) Section 12, Chapter 838, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that the
22 district may sell bonds only after taking public bids.
23 The revised law omits that provision because it
24 duplicates, in substance, Section 49.183(a), Water
25 Code. The omitted law reads:

26 Sec. 12. . . . The District's bonds
27 shall only be sold after taking public bids
28 therefor.

29 (18) Section 17, Chapter 838, Acts of the 61st
30 Legislature, Regular Session, 1969, provides that the
31 district may sell bonds at any price or on any terms,
32 except that the price may not be less than that
33 provided by law. The revised law omits that provision
34 because it duplicates Section 1204.006(b), Government
35 Code. Section 1204.006(b) provides that an issuer may
36 sell public securities at any price and applies to
37 district bonds by application of Section 1204.001,
38 Government Code. The omitted law reads:

39 Sec. 17. Bonds of the District may be
40 sold at a price and upon the terms
41 determined by the Board of Directors of the
42 District, except that such bonds shall not
43 be sold for a less amount than provided by
44 law.

45 (19) Section 18, Chapter 838, Acts of the 61st

1 Legislature, Regular Session, 1969, provides that
2 elections to authorize district bonds must be held
3 under applicable general law. Section 18 also
4 provides that if the first bond election fails, any
5 provision of the general law relating to the
6 dissolution of a district when a bond election fails
7 does not apply to the district. The revised law omits
8 the provision relating to the first bond election as
9 executed. The revised law omits the provision
10 requiring bond elections to be held under applicable
11 general law because the provision duplicates Section
12 49.101, Water Code. The omitted law reads:

13 Sec. 18. All elections to authorize
14 the issuance of bonds by the District shall
15 be held pursuant to the general law
16 applicable to water control and improvement
17 districts; provided however, that if the
18 first bond election fails, Article
19 7880--77b, Vernon's Texas Civil Statutes,
20 or any other provision of the general law
21 pertaining to dissolution of the District
22 when a bond election fails, shall not apply.

23 (20) Section 20, Chapter 838, Acts of the 61st
24 Legislature, Regular Session, 1969, lists the entities
25 for which district bonds are legal investments and
26 provides that district bonds may secure deposits of
27 public funds of the state or political subdivisions.
28 The revised law omits the provision relating to the
29 eligibility of district bonds to be considered as
30 investments for various entities because it duplicates
31 Section 49.186(a), Water Code. The revised law omits
32 the provision relating to deposits of state funds by
33 the comptroller as impliedly repealed by Section
34 404.0221, Government Code (enacted in 1995), which
35 lists eligible collateral for deposits of state funds
36 by the comptroller. As to deposits of other funds, the
37 provision is impliedly repealed by Chapter 2257,
38 Government Code (enacted in 1989 as Article 2529d,
39 Vernon's Texas Civil Statutes), which governs eligible

1 collateral for deposits of funds of other public
2 agencies, including political subdivisions, and
3 permits those deposits to be secured by obligations
4 issued by conservation and reclamation districts. The
5 omitted law reads:

6 Sec. 20. All bonds and refunding
7 bonds of the District shall be and are
8 hereby declared to be legal, eligible and
9 authorized investments for banks, savings
10 and loan associations, insurance companies,
11 fiduciaries, and for the sinking funds of
12 cities, towns, villages, counties, school
13 districts, or other political corporations
14 or subdivisions of the State of Texas and
15 for all public funds of the State of Texas
16 or its agencies, including the State
17 Permanent School Fund. Such bonds and
18 refunding bonds shall be eligible to secure
19 the deposit of any and all public funds of
20 the State of Texas, cities, towns,
21 villages, counties, school districts, or
22 other political corporations or
23 subdivisions of the State of Texas; and such
24 bonds shall be lawful and sufficient
25 security for said deposits to the extent of
26 their face value, when accompanied by all
27 unmatured coupons appurtenant thereto.

28 Revisor's Note
29 (End of Chapter)

30 (1) Section 6, Chapter 838, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that it
32 is not necessary for the board of directors to hold an
33 election to confirm the district's organization and
34 that the district is validly created from and after the
35 passage of that act. The revised law omits that
36 provision as executed. The omitted law reads:

37 Sec. 6. It shall not be necessary for
38 the Board of Directors to call or hold an
39 election to confirm the organization of the
40 District and such District shall be validly
41 created from and after the passage of this
42 Act.

43 (2) Section 7, Chapter 838, Acts of the 61st
44 Legislature, Regular Session, 1969, provides for the
45 exclusion of property from the district before the
46 first bond election is called. The revised law omits
47 that provision as executed because the district has
48 already issued bonds. The omitted law reads:

1 Sec. 7. It shall not be necessary for
2 the Board of Directors to call or hold a
3 hearing on the exclusions of land or other
4 property from the District; provided,
5 however, that the Board shall hold such
6 hearing upon the written petition of any
7 landowner or other property owner within
8 the District filed with the Secretary of the
9 Board prior to the calling of the first bond
10 election for the District. The Board may act
11 on said petition in the same manner that it
12 may act on a petition for the addition of
13 land under Article 7880--75, Vernon's Texas
14 Civil Statutes and no notice of hearing
15 shall be required. . . .

16 (3) Section 7, Chapter 838, Acts of the 61st
17 Legislature, Regular Session, 1969, provides that the
18 board may on its own motion hold a hearing on the
19 exclusion of property from the district in the manner
20 provided by general law. The revised law omits that
21 provision because it duplicates, in substance, Section
22 49.303(b), Water Code. The omitted law reads:

23 Sec. 7. . . . The Board on its own
24 motion may call and hold an exclusions
25 hearing or hearings in the manner provided
26 by the General Law.

27 (4) Section 19, Chapter 838, Acts of the 61st
28 Legislature, Regular Session, 1969, provides that the
29 board shall canvass the returns of all elections. The
30 revised law omits that requirement because it
31 duplicates Section 67.002, Election Code, which
32 requires the governing body of a political subdivision
33 that orders an election to canvass the returns.
34 Section 19 also provides that the board shall canvass
35 the election returns "as soon as reasonably
36 practicable after an election." The revised law omits
37 that provision as superseded by Section 67.003,
38 Election Code (enacted by Section 1, Chapter 211, Acts
39 of the 69th Legislature, Regular Session, 1985). The
40 omitted law reads:

41 Sec. 19. . . . The returns of all
42 elections shall be canvassed by the Board of
43 Directors of the District as soon as
44 reasonably practicable after an election.

1 (5) Section 23, Chapter 838, Acts of the 61st
2 Legislature, Regular Session, 1969, provides that the
3 act is severable. The revised law omits that provision
4 because it duplicates Section 311.032, Government Code
5 (Code Construction Act), which states that a provision
6 of a statute is severable from each other provision of
7 the statute that can be given effect. The omitted law
8 reads:

9 Sec. 23. If any word, phrase, clause,
10 paragraph, sentence, part, portion or
11 provision of this Act or the application
12 thereof to any person or circumstance shall
13 be held to be invalid or unconstitutional,
14 the remainder of the Act shall nevertheless
15 be valid, and the Legislature hereby
16 declares that this Act would have been
17 enacted without such invalid or
18 unconstitutional word, phrase, clause,
19 paragraph, sentence, part, portion or
20 provision.

21 (6) Section 24, Chapter 838, Acts of the 61st
22 Legislature, Regular Session, 1969, contains
23 legislative findings relating to the performance of
24 certain requirements under Section 59(d), Article XVI,
25 Texas Constitution. The revised law omits that
26 provision as executed. The omitted law reads:

27 Sec. 24. It is determined and found
28 that a proper and legal notice of the
29 intention to introduce this Act, setting
30 forth the general substance of this Act, has
31 been published at least thirty (30) days and
32 not more than ninety (90) days prior to the
33 introduction of this Act in the Legislature
34 of Texas, in a newspaper having general
35 circulation in Harris County, Texas; that a
36 copy of such notice and a copy of this Act
37 have been delivered to the Governor of Texas
38 who has submitted such notice and Act to the
39 Texas Water Rights Commission, and said
40 Texas Water Rights Commission had filed its
41 recommendation as to such Act with the
42 Governor, Lieutenant Governor and Speaker
43 of the House of Representatives of Texas
44 within thirty (30) days from the date such
45 notice and Act were received by the Texas
46 Water Rights Commission; and that all the
47 requirements and provisions of Article XVI,
48 Section 59(d) of the Constitution of the
49 State of Texas have been fulfilled and
50 accomplished as therein provided.

1 CHAPTER 8280. ISAACSON MUNICIPAL UTILITY DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Sec. 8280.001. DEFINITIONS 1709
4 Sec. 8280.002. NATURE OF DISTRICT 1709
5 Sec. 8280.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1710
6 Sec. 8280.004. DISTRICT TERRITORY 1710

7 [Sections 8280.005-8280.050 reserved for expansion]

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 8280.051. COMPOSITION OF BOARD; TERMS 1712

10 [Sections 8280.052-8280.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8280.101. MUNICIPAL UTILITY DISTRICT POWERS AND
13 DUTIES 1715

14 CHAPTER 8280. ISAACSON MUNICIPAL UTILITY DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 8280.001. DEFINITIONS. In this chapter:

- 18 (1) "Board" means the district's board of directors.
- 19 (2) "Director" means a member of the board.
- 20 (3) "District" means Isaacson Municipal Utility

21 District. (Acts 71st Leg., R.S., Ch. 741, Sec. 2; New.)

22 Source Law

23 Sec. 2. In this Act, "district" means Isaacson
24 Municipal Utility District.

25 Revisor's Note

26 The definitions of "board" and "director" are
27 added to the revised law for drafting convenience and
28 to eliminate frequent, unnecessary repetition of the
29 substance of the definitions.

30 Revised Law

31 Sec. 8280.002. NATURE OF DISTRICT. The district is a
32 conservation and reclamation district in Wharton County created
33 under Section 59, Article XVI, Texas Constitution. (Acts 71st
34 Leg., R.S., Ch. 741, Secs. 1(a) (part), (b) (part).)

1 Legislature, Regular Session, 1989, as that territory may have been
2 modified under:

- 3 (1) Subchapter H, Chapter 54, Water Code;
- 4 (2) Subchapter J, Chapter 49, Water Code; or
- 5 (3) 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, or
10 validity;
- 11 (2) the district's right to impose a tax; or
- 12 (3) the legality or operation of the district or its
13 governing body. (Acts 71st Leg., R.S., Ch. 741, Sec. 4; New.)

14 Source Law

15 Sec. 4. The legislature finds that the
16 boundaries and field notes of the district form a
17 closure. A mistake in the field notes or in copying
18 the field notes in the legislative process does not
19 affect the organization, existence, or validity of the
20 district, the right of the district to levy and collect
21 taxes, or the legality or operation of the district or
22 its governing body.

23 Revisor's Note

24 (1) The revision of the law governing the
25 district does not revise the statutory language
26 describing the territory of the district to avoid the
27 lengthy recitation of the description and because that
28 description may not be accurate on the effective date
29 of the revision or at the time of a later reading. For
30 the reader's convenience, the revised law includes
31 references to the statutory description of the
32 district's territory and to the authority to change the
33 district's territory under Subchapter H, Chapter 54,
34 Water Code, applicable to municipal utility districts,
35 and under Subchapter J, Chapter 49, Water Code,
36 applicable to the district under Sections 49.001 and
37 49.002 of that chapter. The revised law also includes
38 a reference to the general authority of the

1 legislature to enact a law to change the district's
2 territory.

3 (2) Section 4, Chapter 741, Acts of the 71st
4 Legislature, Regular Session, 1989, refers to the
5 district's authority to "levy and collect" taxes. The
6 revised law substitutes "impose" for "levy and
7 collect" because "impose" is the term generally used
8 in Title 1, Tax Code, and includes the levy and
9 collection of a tax.

10 [Sections 8280.005-8280.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Revised Law

13 Sec. 8280.051. COMPOSITION OF BOARD; TERMS. (a) The
14 district is governed by a board of five directors.

15 (b) Directors serve staggered four-year terms. (Acts 71st
16 Leg., R.S., Ch. 741, Secs. 7(a), (d).)

17 Source Law

18 Sec. 7. (a) The district is governed by a board
19 of five directors.

20 (d) Permanent directors other than initial
21 permanent directors serve staggered four-year terms.

22 Revisor's Note

23 (1) Section 7(d), Chapter 741, Acts of the 71st
24 Legislature, Regular Session, 1989, refers to
25 "[p]ermanent directors other than initial permanent
26 directors." The revised law omits "permanent" and
27 "other than initial permanent directors" as
28 unnecessary because, as used in the revised law,
29 "director" refers to a permanent director other than
30 an initial permanent director.

31 (2) Sections 7(b) and (c), Chapter 741, Acts of
32 the 71st Legislature, Regular Session, 1989, refer to
33 the temporary directors and the initial permanent
34 directors. The revised law omits as executed the
35 references to temporary directors and initial

1 permanent directors. The omitted law reads:

2 (b) Temporary directors serve until
3 initial permanent directors are elected
4 under Section 9.

5 (c) Initial permanent directors
6 serve until permanent directors are elected
7 under Section 10.

8 (3) Section 7(e), Chapter 741, Acts of the 71st
9 Legislature, Regular Session, 1989, requires a
10 director to qualify to serve in the manner provided by
11 Section 54.025 or 54.116, Water Code. The revised law
12 omits the reference to Section 54.025, Water Code, as
13 executed, because that section refers to the
14 qualification of a temporary director. The revised law
15 omits the reference to Section 54.116, Water Code,
16 because that section was repealed by Chapter 715, Acts
17 of the 74th Legislature, Regular Session, 1995.
18 Chapter 715 also enacted Section 49.055, Water Code,
19 which contains the qualification procedures for a
20 director of a municipal utility district. A reference
21 to Section 49.055, Water Code, is unnecessary because
22 that section applies to the district under Sections
23 49.001 and 49.002, Water Code. The omitted law reads:

24 (e) Each director must qualify to
25 serve as director in the manner provided by
26 Section 54.025 or 54.116, Water Code, as
27 appropriate.

28 (4) Section 7(f), Chapter 741, Acts of the 71st
29 Legislature, Regular Session, 1989, provides that a
30 director serves until the director's successor has
31 qualified. The revised law omits the provision as
32 unnecessary because it duplicates Section 17, Article
33 XVI, Texas Constitution. That section requires an
34 officer in this state to continue to perform the
35 officer's duties until the successor has qualified.
36 The omitted law reads:

37 (f) A director serves until the
38 director's successor has qualified.

1 Revisor's Note
2 (End of Subchapter)

3 (1) Section 8, Chapter 741, Acts of the 71st
4 Legislature, Regular Session, 1989, names and provides
5 for the qualification of and for filling vacancies on
6 the temporary board of directors. The revised law
7 omits that section as executed. The omitted law reads:

8 Sec. 8. (a) The temporary board of
9 directors is composed of:

- 10 (1) Madeline Shimek, President
11 (2) Tom Welfel, Secretary
12 (3) Max Bustamante
13 (4) Fernando Esponzoza
14 (5) Andrew Zbranek

15 (b) If a temporary director fails to
16 qualify for office, the temporary directors
17 who have qualified shall appoint a person to
18 fill the vacancy. If at any time there are
19 fewer than three qualified temporary
20 directors, the Texas Water Commission shall
21 appoint the necessary number of persons to
22 fill all vacancies on the board.

23 (2) Section 10, Chapter 741, Acts of the 71st
24 Legislature, Regular Session, 1989, provides that
25 after the district's confirmation election the
26 district shall hold a directors election to elect
27 initial directors with staggered terms and shall hold
28 subsequent elections for directors every second year
29 afterwards on the first Saturday in May. The revised
30 law omits those provisions as executed for the initial
31 election and as superseded for subsequent elections by
32 the 1995 enactment of Section 49.103, Water Code,
33 applicable to the district under Sections 49.001,
34 49.002, and 49.103(e), Water Code. Section 49.103
35 requires the election of the appropriate number of
36 directors to be held on the uniform election date in
37 May of even-numbered years. The omitted law reads:

38 Sec. 10. On the first Saturday in May
39 of the second year after the year in which
40 the confirmation election is held, an
41 election shall be held in the district for
42 the election of two directors who shall each
43 serve two-year terms and three directors
44 who shall each serve four-year terms.
45 Thereafter, on the same date in each
46 subsequent second year, the appropriate

1 number of directors shall be elected to the
2 board.

3 [Sections 8280.052-8280.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Revised Law

6 Sec. 8280.101. MUNICIPAL UTILITY DISTRICT POWERS AND
7 DUTIES. The district has the rights, powers, privileges,
8 functions, and duties provided by the general law of this state,
9 including Chapters 49, 50, and 54, Water Code, applicable to a
10 municipal utility district created under Section 59, Article XVI,
11 Texas Constitution. (Acts 71st Leg., R.S., Ch. 741, Sec. 6(a)
12 (part); New.)

13 Source Law

14 Sec. 6. (a) The district has all of the rights,
15 powers, privileges, authority, functions, and duties
16 provided by the general law of this state, including
17 Chapters 50 and 54, Water Code, applicable to
18 municipal utility districts created under Article XVI,
19 Section 59, of the Texas Constitution. . . .

20 Revisor's Note

21 (1) Section 6(a), Chapter 741, Acts of the 71st
22 Legislature, Regular Session, 1989, refers to the
23 "rights, powers, privileges, [and] authority" of the
24 district. The revised law omits the reference to
25 "authority" because, in context, "authority" is
26 included in the meaning of "powers."

27 (2) Section 6(a), Chapter 741, Acts of the 71st
28 Legislature, Regular Session, 1989, refers to Chapters
29 50 and 54, Water Code. For the reader's convenience,
30 the revised law adds a reference to Chapter 49, Water
31 Code, because Chapter 715, Acts of the 74th
32 Legislature, Regular Session, 1995, repealed most of
33 the provisions of Chapter 50 and many provisions of
34 Chapter 54 and enacted similar provisions in Chapter
35 49, Water Code. Chapter 49 applies to municipal
36 utility districts under Sections 49.001 and 49.002,
37 Water Code.

38 (3) Section 6(a), Chapter 741, Acts of the 71st

1 Legislature, Regular Session, 1989, provides that the
2 act prevails over general law in case of a conflict or
3 inconsistency. The revised law omits the provision
4 because it duplicates Section 311.026(b), Government
5 Code (Code Construction Act). The omitted law reads:

6 (a) . . . This Act prevails over any
7 provision of general law that is in conflict
8 or inconsistent with this Act.

9 (4) Section 6(b), Chapter 741, Acts of the 71st
10 Legislature, Regular Session, 1989, refers to the
11 continuing right of supervision to be exercised by the
12 Texas Water Commission. The revised law omits the
13 provision because the Texas Commission on
14 Environmental Quality is the successor to the Texas
15 Water Commission and therefore the provision
16 duplicates, in substance, part of Section 12.081,
17 Water Code, which applies to the district. The omitted
18 law reads:

19 (b) The rights, powers, privileges,
20 authority, functions, and duties of the
21 district are subject to the continuing
22 right of supervision of the state to be
23 exercised by and through the Texas Water
24 Commission.

25 Revisor's Note
26 (End of Chapter)

27 (1) Sections 1(a) and 9, Chapter 741, Acts of
28 the 71st Legislature, Regular Session, 1989, require
29 an election to confirm establishment of the district
30 and to elect initial directors. The revised law omits
31 the provisions as executed. The omitted law reads:

32 Sec. 1. (a) [A . . . district . . .
33 is created . . .] subject to approval at a
34 confirmation election under Section 9 of
35 this Act. . . .

36 Sec. 9. (a) The temporary board of
37 directors shall call and hold an election to
38 confirm establishment of the district and
39 to elect five initial directors as provided
40 by Chapter 54, Water Code.

41 (b) Section 41.001(a), Election
42 Code, does not apply to a confirmation
43 election held as provided by this section.

(2) Section 11, Chapter 741, Acts of the 71st Legislature, Regular Session, 1989, provides that the notice, introduction, and passage of the act satisfied the requirements of the Texas Constitution, other laws of this state, and rules and procedures of the legislature. Section 11 also provides that the Texas Water Commission timely filed recommendations relating to the act. The revised law omits these provisions as executed. The omitted law reads:

Sec. 11. (a) The proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished by the constitution and other laws of this state, including the governor, who has submitted the notice and Act to the Texas Water Commission.

(b) The Texas Water Commission has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(c) All requirements of the constitution and laws of this state and the rules and procedures of the legislature within respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

CHAPTER 8281. EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8281.001. DEFINITION 1718

Sec. 8281.002. NATURE OF DISTRICT 1718

Sec. 8281.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1719

Sec. 8281.004. DISTRICT TERRITORY 1720

[Sections 8281.005-8281.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8281.051. COMPOSITION OF BOARD 1721

Sec. 8281.052. VACANCIES 1722

[Sections 8281.053-8281.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8281.101. MUNICIPAL UTILITY DISTRICT POWERS 1724

1 Sec. 8281.102. WATER AND SEWER SYSTEMS 1727
2 Sec. 8281.103. LIMITATION ON PROVIDING WATER TO
3 CERTAIN USERS 1728
4 Sec. 8281.104. AGRICULTURAL PRODUCTS 1728
5 Sec. 8281.105. VOTER APPROVAL OF TAXES REQUIRED 1728

6 CHAPTER 8281. EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 8281.001. DEFINITION. In this chapter, "district"
10 means the East Cedar Creek Fresh Water Supply District. (Acts 65th
11 Leg., R.S., Ch. 696, Sec. 1 (part).)

12 Source Law

13 Sec. 1. . . . [a . . . district] . . . to be
14 known as the East Cedar Creek Fresh Water Supply
15 District, hereinafter called the "district",

16 Revised Law

17 Sec. 8281.002. NATURE OF DISTRICT. The district is a
18 conservation and reclamation district in Henderson County created
19 under Section 59, Article XVI, Texas Constitution. (Acts 65th
20 Leg., R.S., Ch. 696, Sec. 1 (part).)

21 Source Law

22 Sec. 1. Under and pursuant to the provisions of
23 Article XVI, Section 59, of the Texas Constitution, a
24 conservation and reclamation district is hereby
25 created and established in Henderson County, Texas,
26 . . . which shall be a governmental agency and a body
27 politic and corporate. . . .

28 Revisor's Note

29 (1) Section 1, Chapter 696, Acts of the 65th
30 Legislature, Regular Session, 1977, provides that the
31 district "is hereby created and established." The
32 revised law omits "established" because the meaning of
33 that word is included in the meaning of "created."

34 (2) Section 1, Chapter 696, Acts of the 65th
35 Legislature, Regular Session, 1977, refers to the
36 district as "a governmental agency and a body politic
37 and corporate." The revised law omits the quoted
38 language because it duplicates a portion of Section

1 59(b), Article XVI, Texas Constitution, which provides
2 that a conservation and reclamation district is a
3 governmental agency and a body politic and corporate.

4 Revised Law

5 Sec. 8281.003. 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 boundaries
8 of the district will benefit from the works and projects that are to
9 be accomplished by the district under the powers conferred by
10 Section 59, Article XVI, Texas Constitution.

11 (c) The creation of the district is essential to accomplish
12 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
13 65th Leg., R.S., Ch. 696, Secs. 1 (part), 4.)

14 Source Law

15 Sec. 1. . . . The creation and establishment of
16 the district is hereby declared to be essential to the
17 accomplishment of the purposes of Article XVI, Section
18 59, of the Texas Constitution.

19 Sec. 4. It is determined and found that all of
20 the land and other property included within the area
21 and boundaries of the district will be benefited by the
22 works and projects which are to be accomplished by the
23 district pursuant to the powers conferred by the
24 provisions of Article XVI, Section 59, of the Texas
25 Constitution, and that said district is created to
26 serve a public use and benefit.

27 Revisor's Note

28 (1) Section 1, Chapter 696, Acts of the 65th
29 Legislature, Regular Session, 1977, states that the
30 "creation and establishment" of the district are
31 essential to accomplish the purposes of Section 59,
32 Article XVI, Texas Constitution. The revised law
33 omits "establishment" because its meaning is included
34 in the meaning of "creation."

35 (2) Section 4, Chapter 696, Acts of the 65th
36 Legislature, Regular Session, 1977, refers to land and
37 other property included within the "area and
38 boundaries of the district." The revised law omits the
39 reference to "area" because, in context, "area" is

1 included in the meaning of "boundaries."

2 Revised Law

3 Sec. 8281.004. DISTRICT TERRITORY. (a) The district is
4 composed of the territory described by Section 2, Chapter 696, Acts
5 of the 65th Legislature, Regular Session, 1977, 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 copying the field notes in the legislative
12 process or any other mistake in the field notes does not affect:

13 (1) the district's organization, existence, or
14 validity;

15 (2) the district's right to issue any type of bond for
16 a purpose for which the district is created or to pay the principal
17 of and interest on a bond;

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 65th Leg., R.S., Ch. 696, Sec. 3; New.)

21 Source Law

22 Sec. 3. It is determined and found that the
23 boundaries and field notes of the district form a
24 closure. If any mistake is made in copying the field
25 notes in the legislative process or otherwise a
26 mistake is made in the field notes, it shall in no way
27 affect the organization, existence, and validity of
28 the district, or the right of the district to issue any
29 type of bonds or refunding bonds for the purposes for
30 which the district is created or to pay the principal
31 and interest thereon, or the right to assess, levy, and
32 collect taxes, or in any other manner affect the
33 legality or operation of the district or its governing
34 body.

35 Revisor's Note

36 (1) The revision of the law governing the
37 district does not revise the statutory language
38 describing the territory of the district to avoid the
39 lengthy recitation of the description and because that
40 description may not be accurate on the effective date

1 of the revision or at the time of a later reading. For
2 the reader's convenience, the revised law includes
3 references to the statutory description of the
4 district's territory and to the authority to change the
5 district's territory under Subchapter H, Chapter 54,
6 Water Code, applicable to municipal utility districts,
7 and under Subchapter J, Chapter 49, Water Code,
8 applicable to the district under Sections 49.001 and
9 49.002 of that chapter. The revised law also includes
10 a reference to the general authority of the
11 legislature to enact a law to change the district's
12 territory.

13 (2) Section 3, Chapter 696, Acts of the 65th
14 Legislature, Regular Session, 1977, states that a
15 mistake in the description of the district boundaries
16 does not affect the right of the district to issue
17 "bonds or refunding bonds." The revised law omits the
18 reference to "refunding bonds" because refunding bonds
19 are included in the meaning of "bonds."

20 (3) Section 3, Chapter 696, Acts of the 65th
21 Legislature, Regular Session, 1977, refers to the
22 district's authority to "assess, levy, and collect"
23 taxes. The revised law substitutes "impose" for
24 "assess, levy, and collect" because "impose" is the
25 term generally used in Title 1, Tax Code, and includes
26 the assessment, levy, and collection of a tax.

27 [Sections 8281.005-8281.050 reserved for expansion]

28 SUBCHAPTER B. BOARD OF DIRECTORS

29 Revised Law

30 Sec. 8281.051. COMPOSITION OF BOARD. The board of
31 directors of the district is composed of seven elected directors.
32 (Acts 65th Leg., R.S., Ch. 696, Sec. 7 (part).)

33 Source Law

34 Sec. 7. . . . the board of directors of the
35 district . . . successors in office shall be elected

1

2 Revisor's Note

3 Section 7, Chapter 696, Acts of the 65th
4 Legislature, Regular Session, 1977, refers to
5 "successors in office" to distinguish the succeeding
6 directors from the initial directors named in Section
7 7. The revised law substitutes "seven" for
8 "successors" to conform to the number of directors
9 listed in Section 7 (establishing the initial board).

10 Revised Law

11 Sec. 8281.052. VACANCIES. The Commissioners Court of
12 Henderson County shall appoint directors to fill all vacancies on
13 the board when the number of qualified directors is fewer than four.
14 (Acts 65th Leg., R.S., Ch. 696, Sec. 7 (part).)

15 Source Law

16 Sec. 7. . . . if at any time the number of
17 qualified directors shall be less than four because of
18 the failure or refusal of one or more directors to
19 qualify or serve or because of his or their death or
20 incapacitation, or for any other reason, the
21 Commissioners Court of Henderson County shall appoint
22 the necessary number of directors to fill all
23 vacancies on the board. . . .

24 Revisor's Note

25 Section 7, Chapter 696, Acts of the 65th
26 Legislature, Regular Session, 1977, refers to a
27 vacancy in the office of director "because of the
28 failure or refusal of one or more directors to qualify
29 or serve or because of his or their death or
30 incapacitation, or for any other reason." The revised
31 law omits the quoted language because it describes
32 every manner in which a vacancy may occur without
33 limiting in any way the duty to fill a vacancy.

34 Revisor's Note
35 (End of Subchapter)

36 (1) Section 7, Chapter 696, Acts of the 65th
37 Legislature, Regular Session, 1977, names the initial
38 district directors and provides for the qualification
39 of those directors and procedures for appointing

1 initial directors if the named directors are unable to
2 serve. The section also sets out the terms for the
3 initial directors. The revised law omits the provision
4 as executed. The omitted law reads:

5 Sec. 7. Immediately after this Act
6 becomes effective, the following named
7 persons shall be the directors of the
8 district and shall constitute [the board of
9 directors of the district]: Roscoe Welch,
10 William W. Turner, Fred Willis, Jerome T.
11 David, David S. Leinbach, C. P. Ackles, and
12 Dalton Bynum.

13 . . . Should any of the above named
14 directors fail to qualify for any reason,
15 the remaining named directors shall appoint
16 someone to fill such vacancy or vacancies;
17 provided, however, that The terms
18 of office of the first four directors named
19 shall end in 1979, and the terms of office
20 of the last three directors named shall end
21 in 1978;

22 (2) Section 7, Chapter 696, Acts of the 65th
23 Legislature, Regular Session, 1977, requires a
24 director to take the constitutional oath of office.
25 The revised law omits the provision because it
26 duplicates, in substance, Section 1, Article XVI,
27 Texas Constitution. The omitted law reads:

28 Sec. 7. . . . Such persons shall
29 qualify to serve as directors by execution
30 of the constitutional oath of office. . . .

31 (3) Section 7, Chapter 696, Acts of the 65th
32 Legislature, Regular Session, 1977, provides that
33 directors serve a term of two years. The revised law
34 omits that provision because it was superseded by
35 Section 49.103(a), Water Code, enacted in 1995, which
36 stipulates four-year terms and applies to the district
37 under Sections 49.103(e), 49.001, and 49.002, Water
38 Code. The omitted law reads:

39 Sec. 7. . . . thereafter, [successors
40 in office shall be elected] for a term of
41 two years.

42 [Sections 8281.053-8281.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 8281.101. 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 65th Leg., R.S., Ch. 696,
8 Sec. 5 (part); New.)

9 Source Law

10 Sec. 5. The district is hereby vested with and
11 shall have and exercise all of the rights, powers,
12 privileges, authority, and functions conferred and
13 imposed by the general laws of this state now in force
14 or hereafter enacted, applicable to municipal utility
15 districts created under authority of Article XVI,
16 Section 59, of the Texas Constitution, including
17 without limitation those conferred by Chapter 54,
18 Title 4, Water Code, with all amendments and additions
19 thereto; but

20 Revisor's Note

21 (1) Section 5, Chapter 696, Acts of the 65th
22 Legislature, Regular Session, 1977, states that the
23 district "is hereby vested with and shall have and
24 exercise" certain powers. The revised law substitutes
25 "has" for the quoted language because, in context, the
26 terms are synonymous and "has" is more commonly used.

27 (2) Section 5, Chapter 696, Acts of the 65th
28 Legislature, Regular Session, 1977, refers to the
29 "rights, powers, privileges, [and] authority" of the
30 district. The revised law omits the reference to
31 "authority" because, in context, "authority" is
32 included in the meaning of "rights, powers, [and]
33 privileges."

34 (3) Section 5, Chapter 696, Acts of the 65th
35 Legislature, Regular Session, 1977, states that the
36 district has the rights, powers, privileges,
37 authority, and functions conferred by the general laws
38 of this state "now in force or hereafter enacted." The
39 revised law omits the quoted language because it

1 duplicates accepted general principles of statutory
2 construction. The "general laws of this state" means
3 those laws "in force" at the time the provision was
4 adopted. It is unnecessary to state that the district
5 may be granted additional powers by later enacted laws
6 because those laws apply on their own terms.

7 (4) Section 5, Chapter 696, Acts of the 65th
8 Legislature, Regular Session, 1977, grants the
9 district certain powers, "including without
10 limitation those conferred by Chapter 54, Title 4,
11 Water Code." The revised law omits "without
12 limitation" because Section 311.005(13), Government
13 Code (Code Construction Act), provides that "includes"
14 and "including" are terms of enlargement and not of
15 limitation and do not create a presumption that
16 components not expressed are excluded.

17 (5) Section 5, Chapter 696, Acts of the 65th
18 Legislature, Regular Session, 1977, refers to Chapter
19 54, Water Code, "with all amendments and additions
20 thereto." The revised law omits the quoted language
21 because under Section 311.027, Government Code (Code
22 Construction Act), a reference to a statute applies to
23 all reenactments, revisions, or amendments of that
24 statute unless provided otherwise.

25 (6) Section 5, Chapter 696, Acts of the 65th
26 Legislature, Regular Session, 1977, refers to Chapter
27 54, Water Code. For the reader's convenience, the
28 revised law adds a reference to Chapter 49, Water Code,
29 because Chapter 715, Acts of the 74th Legislature,
30 Regular Session, 1995, repealed many provisions of
31 Chapter 54 and enacted similar provisions in Chapter
32 49, Water Code.

33 (7) Section 5, Chapter 696, Acts of the 65th
34 Legislature, Regular Session, 1977, provides that

1 Chapter 696 prevails over general law in case of a
2 conflict or other inconsistency and that all general
3 laws not in conflict or inconsistent with the
4 provisions of that chapter are adopted and
5 incorporated by reference. The revised law omits the
6 portion of the provision relating to the chapter
7 prevailing over general law because it duplicates in
8 substance Section 311.026(b), Government Code (Code
9 Construction Act). The revised law omits the portion
10 of the provision relating to adoption and
11 incorporation of general laws because Section 5 of
12 Chapter 696 (revised in part as this section) provides
13 that those laws apply to the district, and it is
14 unnecessary to repeat that authority by "adopt[ing]
15 and incorporat[ing] by reference." The omitted law
16 reads:

17 Sec. 5. . . . if any provision of such
18 general laws shall be in conflict or
19 inconsistent with the provisions of this
20 Act, the provisions of this Act shall
21 prevail. All such general laws not in
22 conflict or inconsistent with the
23 provisions of this Act are hereby adopted
24 and incorporated by reference with the same
25 effect as if copied in full in this
26 Act. . . .

27 (8) Section 5, Chapter 696, Acts of the 65th
28 Legislature, Regular Session, 1977, refers to this
29 state's continuing right of supervision of the
30 district to be exercised by the Texas Water Rights
31 Commission. The revised law omits the provision
32 because the Texas Commission on Environmental Quality
33 is the successor to the Texas Water Rights Commission,
34 and therefore the provision duplicates, in substance,
35 part of Section 12.081(a), Water Code, which applies
36 to the district. The omitted law reads:

37 Sec. 5. . . . The rights, powers,
38 privileges, authority, and functions herein
39 granted to the district shall be subject to
40 the continuing right of supervision of the
41 State of Texas, to be exercised by and

1 through the Texas Water Rights Commission.

2 Revised Law

3 Sec. 8281.102. WATER AND SEWER SYSTEMS. (a) The district
4 may acquire, and may improve or extend, any existing water or sewer
5 system that serves all or part of the district territory or may
6 construct a water or sewer system to serve the inhabitants of the
7 county in which the district is located.

8 (b) A contract to acquire an existing water or sewer
9 facility may be made on terms approved by the contracting parties.

10 (Acts 65th Leg., R.S., Ch. 696, Sec. 6 (part).)

11 Source Law

12 Sec. 6. The district shall have and is given the
13 specific power and authority to acquire any existing
14 water and sewer system, either or both, which serves
15 all or part of the territory situated within its
16 boundaries and the district may improve and extend
17 such system or systems or the district may construct a
18 water and sewer system, either or both, to serve the
19 inhabitants of the county in which the area of the
20 district is situated. . . . contracts for the
21 acquisition of an existing water or sewer facility may
22 be made on terms approved by the contracting parties.
23 . . .

24 Revisor's Note

25 (1) Section 6, Chapter 696, Acts of the 65th
26 Legislature, Regular Session, 1977, provides that the
27 district "shall have and is given the specific power
28 and authority to" acquire or construct a water or sewer
29 system. The revised law substitutes "may" for the
30 quoted language because the phrases have the same
31 meaning, and "may" is consistent with modern usage.
32 See, for example, Section 311.016(1), Government Code
33 (Code Construction Act), which construes "may."

34 (2) Section 6, Chapter 696, Acts of the 65th
35 Legislature, Regular Session, 1977, states that
36 district construction contracts are subject to
37 competitive bids under laws applicable to municipal
38 utility districts. The revised law omits that
39 provision because Subchapter I, Chapter 49, Water
40 Code, contains the competitive bidding requirements

1 applicable to municipal utility districts. That
2 subchapter applies to the district under Sections
3 49.001 and 49.002, Water Code. Accordingly, district
4 construction contracts are subject to the competitive
5 bidding requirements applicable to municipal utility
6 districts without an express statement to that effect.

7 The omitted law reads:

8 Sec. 6. . . . Construction contracts
9 shall be subject to competitive bids (as
10 provided by laws applicable to municipal
11 utility districts), but

12 Revised Law

13 Sec. 8281.103. LIMITATION ON PROVIDING WATER TO CERTAIN
14 USERS. Notwithstanding any other provision of this chapter, the
15 district may not compete with the City of Mabank in providing water
16 to household users unless the district receives permission from the
17 Public Utility Commission of Texas, with the consent of that city.
18 (Acts 65th Leg., R.S., Ch. 696, Sec. 5A.)

19 Source Law

20 Sec. 5A. Notwithstanding any other provisions
21 of this Act, the district shall in no event furnish
22 water to household users in competition with the city
23 of Mabank unless the district receives permission to
24 do so from the Public Utility Commission of Texas, with
25 the consent of the city of Mabank.

26 Revised Law

27 Sec. 8281.104. AGRICULTURAL PRODUCTS. The district may
28 produce agricultural products other than livestock on property the
29 district owns or controls and may market those products. (Acts 65th
30 Leg., R.S., Ch. 696, Sec. 5B.)

31 Source Law

32 Sec. 5B. The district may produce agricultural
33 products other than livestock on property it owns or
34 controls and may market those products.

35 Revised Law

36 Sec. 8281.105. VOTER APPROVAL OF TAXES REQUIRED. The
37 district may not impose a tax unless the tax has been approved by
38 the voters at an election called for that purpose. (Acts 65th Leg.,
39 R.S., Ch. 696, Sec. 6 (part).)

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Source Law

Sec. 6. . . . The district shall have no power to levy taxes unless the same has been approved by the electorate at an election called for the purpose.

Revisor's Note

Section 6, Chapter 696, Acts of the 65th Legislature, Regular Session, 1977, allows the district to "levy" taxes approved by the district electorate. The revised law substitutes "impose" for "levy" for the reason stated in Revisor's Note (3) to Section 8281.004.

Revisor's Note
(End of Chapter)

(1) Section 8, Chapter 696, Acts of the 65th Legislature, Regular Session, 1977, contains legislative findings relating to the performance of certain requirements under Sections 59(d) and (e), Article XVI, Texas Constitution, and to the authority of the legislature to enact Chapter 696. The revised law omits the provision as executed. The omitted law reads:

Sec. 8. The legislature specifically finds and declares that the requirements of Article XVI, Sections 59(d) and 59(e), of the Texas Constitution have been performed and accomplished in due course and time and order, and that the legislature has the power and authority to enact this Act.

(2) Section 9, Chapter 696, Acts of the 65th Legislature, Regular Session, 1977, provides that the act is severable. The revised law omits that provision because it duplicates Section 311.032, Government Code (Code Construction Act), which provides that a provision of a statute is severable from each other provision of the statute that can be given effect. The omitted law reads:

Sec. 9. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Act or the application thereof to any person or circumstances shall be held to be invalid or

1 unconstitutional, the remainder of the Act
2 shall nevertheless be valid; and the
3 legislature hereby declares that this Act
4 would have been enacted without such
5 invalid or unconstitutional word, phrase,
6 clause, paragraph, sentence, part, portion,
7 or provision.

8 CHAPTER 8282. FALCON'S LAIR UTILITY AND RECLAMATION DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8282.001. DEFINITIONS 1731
11 Sec. 8282.002. NATURE OF DISTRICT 1732
12 Sec. 8282.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1733

13 [Sections 8282.004-8282.050 reserved for expansion]

14 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

15 TO DISTRICT TERRITORY

16 Sec. 8282.051. DISTRICT TERRITORY 1735
17 Sec. 8282.052. CITY APPROVAL REQUIRED FOR ANNEXATION 1736

18 [Sections 8282.053-8282.100 reserved for expansion]

19 SUBCHAPTER C. DISTRICT ADMINISTRATION

20 Sec. 8282.101. COMPOSITION OF BOARD; TERMS 1738
21 Sec. 8282.102. VACANCY 1738
22 Sec. 8282.103. OFFICERS AND ASSISTANTS 1739
23 Sec. 8282.104. COMPENSATION 1740
24 Sec. 8282.105. BOARD PROCEDURES 1740

25 [Sections 8282.106-8282.150 reserved for expansion]

26 SUBCHAPTER D. POWERS AND DUTIES

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22		CHAPTER 8282. FALCON'S LAIR UTILITY AND RECLAMATION DISTRICT	
23		SUBCHAPTER A. GENERAL PROVISIONS	
24		<u>Revised Law</u>	
25	Sec. 8282.001.	DEFINITIONS. In this chapter:	
26		(1) "Board" means the district's board of directors.	
27		(2) "City" means the city of Mesquite.	
28		(3) "District" means the Falcon's Lair Utility and	
29		Reclamation District. (Acts 69th Leg., R.S., Ch. 935, Secs. 1(a)	
30		(part), 2.)	
31		<u>Source Law</u>	
32		Sec. 1. (a) . . . [a district] . . . [is created	
33		and] shall be known as Falcon's Lair Utility and	
34		Reclamation District,	
35		Sec. 2. In this Act:	
36		(1) "District" means the Falcon's Lair	

1 Utility and Reclamation District.

2 (2) "City" means the city of Mesquite,
3 Texas.

4 (3) "Board" means the board of directors
5 of the district.

6 Revised Law

7 Sec. 8282.002. NATURE OF DISTRICT. The district is a
8 conservation and reclamation district created under Section 52,
9 Article III, and Section 59, Article XVI, Texas Constitution. (Acts
10 69th Leg., R.S., Ch. 935, Sec. 1(a) (part).)

11 Source Law

12 (a) . . . under Article XVI, Section 59, and
13 Article III, Section 52, of the Texas Constitution, a
14 district located within the present corporate limits
15 of the city of Mesquite, Texas, is created and [shall
16 be known as Falcon's Lair Utility and Reclamation
17 District,] of Dallas County, Texas.

18 Revisor's Note

19 (1) Section 1(a), Chapter 935, Acts of the 69th
20 Legislature, Regular Session, 1985, provides that the
21 district is created under Section 59, Article XVI,
22 Texas Constitution. For the convenience of the
23 reader, the revised law notes that the district is a
24 "conservation and reclamation district" because that
25 is the terminology provided by that constitutional
26 provision.

27 (2) Section 1(a), Chapter 935, Acts of the 69th
28 Legislature, Regular Session, 1985, provides that the
29 district is "located within the present corporate
30 limits of the city of Mesquite, Texas . . . of Dallas
31 County, Texas." The revised law omits the quoted
32 language because it was included in the law being
33 revised only as a convenience to the reader and
34 duplicates language in Section 5(a), Chapter 935, Acts
35 of the 69th Legislature, Regular Session, 1985, which
36 is not necessary to revise in this chapter. See
37 Revisor's Note (1) to Section 8282.051.

38 (3) Section 1(a), Chapter 935, Acts of the 69th
39 Legislature, Regular Session, 1985, refers to a

1 confirmation election. Because the confirmation
2 election occurred in 1985, the revised law omits the
3 provision as executed. The omitted law reads:

4 Sec. 1. (a) Subject to the
5 confirmation election required by this Act,
6 and

7 (4) Section 1(b), Chapter 935, Acts of the 69th
8 Legislature, Regular Session, 1985, refers to the
9 district as "a governmental agency and a body
10 corporate and politic." The revised law omits the
11 references because they duplicate a portion of Section
12 59(b), Article XVI, Texas Constitution, which provides
13 that a conservation and reclamation district is a
14 governmental agency and a body politic and corporate.
15 The omitted law reads:

16 (b) The district is a governmental
17 agency and a body corporate and politic.

18 Revised Law

19 Sec. 8282.003. 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 this
24 chapter.

25 (c) The creation of the district is essential to accomplish
26 the purposes of Section 52, Article III, and Section 59, Article
27 XVI, Texas Constitution. (Acts 69th Leg., R.S., Ch. 935, Secs. 3,
28 6.)

29 Source Law

30 Sec. 3. The legislature finds that the creation
31 and establishment of the district are essential to the
32 accomplishment of the purposes of Article XVI, Section
33 59, and Article III, Section 52, of the Texas
34 Constitution.

35 Sec. 6. The legislature finds that all of the
36 land and other property included in the boundaries of
37 the district will be benefited by the works and
38 projects that are to be accomplished by the district
39 pursuant to the powers conferred on the district by
40 this Act, and that the district is created to serve a
41 public use and benefit.

1 Revisor's Note

2 Section 3, Chapter 935, Acts of the 69th
3 Legislature, Regular Session, 1985, states that the
4 "creation and establishment" of the district are
5 essential to accomplish the purposes of Section 52,
6 Article III, and Section 59, Article XVI, Texas
7 Constitution. The revised law omits "establishment"
8 because its meaning is included in the meaning of
9 "creation."

10 Revisor's Note
11 (End of Subchapter)

12 (1) Section 4, Chapter 935, Acts of the 69th
13 Legislature, Regular Session, 1985, provides that a
14 confirmation and directors' election must be held
15 before the district issues bonds or other obligations.
16 The revised law omits that provision as executed. The
17 omitted law reads:

18 Sec. 4. Before bonds or other
19 obligations of the district are issued, the
20 creation of the district must be approved
21 and the directors of the district must be
22 elected at a confirmation and directors'
23 election called and held as provided by
24 Sections 54.026-54.029, Water Code.

25 (2) Section 25, Chapter 935, Acts of the 69th
26 Legislature, Regular Session, 1985, provides that the
27 district may be abolished as provided by Chapter 128,
28 Acts of the 50th Legislature, Regular Session, 1947
29 (Article 1182c-1, Vernon's Texas Civil Statutes). The
30 revised law omits that provision because the cited law
31 applies by its own terms. Article 1182c-1 was codified
32 by Chapter 149, Acts of the 70th Legislature, Regular
33 Session, 1987, as Sections 43.074, 43.075, and 43.081,
34 Local Government Code. The omitted law reads:

35 Sec. 25. The city may abolish and
36 dissolve the district and assume the
37 assets, properties, bonds, and other
38 obligations of the district as provided by
39 Chapter 128, Acts of the 50th Legislature,
40 Regular Session, 1947 (Article 1182c-1,
41 Vernon's Texas Civil Statutes).

1 [Sections 8282.004-8282.050 reserved for expansion]

2 SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS

3 TO DISTRICT TERRITORY

4 Revised Law

5 Sec. 8282.051. DISTRICT TERRITORY. (a) The district is
6 composed of the territory described by Section 5(a), Chapter 935,
7 Acts of the 69th Legislature, Regular Session, 1985, as that
8 territory 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 copying the field notes in the legislative
14 process or another mistake in the field notes does not affect:

15 (1) the district's organization, existence, or
16 validity;

17 (2) the district's right or power to issue bonds for
18 the purposes for which the district is created or to pay the
19 principal of and interest on the bonds;

20 (3) the district's authority to impose a tax;

21 (4) the validity of any contract, agreement, or
22 obligation of the district; or

23 (5) the legality of the operations or proceedings of
24 the district or the board. (Acts 69th Leg., R.S., Ch. 935, Sec.
25 5(b); New.)

26 Source Law

27 (b) The legislature finds that the boundaries
28 and field notes of the district form a closure. If any
29 mistake is made in copying the field notes in the
30 legislative process, or otherwise a mistake is made in
31 those field notes, it in no way affects the
32 organization, existence, and validity of the district,
33 or the right and power of the district to issue bonds
34 for the purposes for which the district is created or
35 to pay the principal of and interest on those bonds, or
36 the authority of the district to levy and collect
37 taxes, or the validity of any contracts, agreements,
38 or obligations of the district, or in any other manner
39 affects the legality of the operations or proceedings
40 of the district or its board.

1 Revisor's Note

2 (1) The revision of the law governing the
3 district does not revise the statutory language
4 describing the territory of the district to avoid the
5 lengthy recitation of the description and because the
6 description may not be accurate on the effective date
7 of the revision or at the time of a later reading. For
8 the reader's convenience, the revised law includes a
9 reference to the statutory description of the
10 district's territory and references to the authority
11 to change the district's territory under Subchapter H,
12 Chapter 54, Water Code, applicable to municipal
13 utility districts, and under Subchapter J, Chapter 49,
14 Water Code, applicable to the district under Sections
15 49.001 and 49.002 of that chapter. The revised law
16 also includes a reference to the general authority of
17 the legislature to enact other law to change the
18 district's territory.

19 (2) Section 5(b), Chapter 935, Acts of the 69th
20 Legislature, Regular Session, 1985, refers to the
21 district's authority to "levy and collect" a tax.
22 Other provisions of that act, such as Section 8(b)
23 (revised as Section 8282.153) refer to the district's
24 authority to "assess" a tax. Throughout this chapter,
25 the revised law substitutes "impose" for "assess,"
26 "levy," and "collect" in the context of taxation
27 because "impose" is the term generally used in Title 1,
28 Tax Code, and includes the assessment, levying, and
29 collection of a tax.

30 Revised Law

31 Sec. 8282.052. CITY APPROVAL REQUIRED FOR ANNEXATION. The
32 district must secure the approval of the city, in the form of an
33 ordinance or resolution of the city council of the city, before
34 final annexation of additional land to the district. (Acts 69th

1 Leg., R.S., Ch. 935, Sec. 17 (part).)

2 Source Law

3 Sec. 17. . . . The district must secure the
4 approval of the city, in the form of an ordinance or
5 resolution of the city council of the city, before
6 final annexation of any additional land to the
7 district.

8 Revisor's Note

9 Section 17, Chapter 935, Acts of the 69th
10 Legislature, Regular Session, 1985, provides that the
11 district may add or exclude land in the manner provided
12 by Chapter 54, Water Code. The revised law omits that
13 provision as unnecessary. Chapter 715, Acts of the
14 74th Legislature, Regular Session, 1995, repealed some
15 of the relevant provisions of Subchapter H, Chapter
16 54, Water Code, and enacted Subchapter J, Chapter 49,
17 Water Code, to govern the addition of land to a
18 municipal utility district and certain other
19 districts. The remaining relevant provisions of
20 Subchapter H, Chapter 54, Water Code, apply to the
21 district under Section 54.001, Water Code, without an
22 express reference to those sections by this chapter.
23 An express reference to Subchapter J, Chapter 49,
24 Water Code, is also unnecessary because that
25 subchapter and the other provisions of Chapter 49
26 apply to the district under Sections 49.001 and 49.002
27 of that chapter. Throughout this chapter, the revised
28 law omits law that is superseded by Chapter 49, Water
29 Code, or that duplicates law contained in that
30 chapter. The omitted law reads:

31 Sec. 17. The board may exclude land
32 from the district and may add land to the
33 district in the manner provided for
34 municipal utility districts operating under
35 Chapter 54, Water Code. . . .

36 [Sections 8282.053-8282.100 reserved for expansion]

1 SUBCHAPTER C. DISTRICT ADMINISTRATION

2 Revised Law

3 Sec. 8282.101. COMPOSITION OF BOARD; TERMS. (a) The board
4 consists of five directors.

5 (b) Directors serve staggered four-year terms, with the
6 terms of two or three directors expiring every other year. (Acts
7 69th Leg., R.S., Ch. 935, Secs. 9(a), (g) (part).)

8 Source Law

9 Sec. 9. (a) The district shall be governed by a
10 board of five directors.

11 (g) . . . directors shall serve for staggered
12 four-year terms, with the terms of two or three
13 directors expiring every other year.

14 Revisor's Note

15 Section 9(g), Chapter 935, Acts of the 69th
16 Legislature, Regular Session, 1985, refers to the
17 initial directors and the directors elected at the
18 confirmation and directors' election. The revised law
19 omits the language as executed. The omitted law reads:

20 (g) Except for the initial directors
21 and the directors elected at the
22 confirmation and directors' election,
23

24 Revised Law

25 Sec. 8282.102. VACANCY. (a) Except as provided by
26 Subsection (b), if a vacancy occurs in the office of director, the
27 remaining directors shall appoint a person to fill the vacancy
28 until the next election of directors for the district. If the
29 vacant position is not regularly scheduled to be filled at that
30 election, the person elected at that election to fill the vacancy
31 serves only for the unexpired term.

32 (b) If the number of qualified directors by reason of
33 vacancies is fewer than three, the city council of the city, on
34 petition of the owners of a majority in value of the land in the
35 district, as shown by the tax rolls of the city, shall appoint the
36 necessary number of directors to fill all vacancies on the board.

37 (c) The city may not be found liable for an act relating to a

1 district obligation or the operation of the district because of the
2 city's appointment of a director as prescribed by Subsection (b).
3 (Acts 69th Leg., R.S., Ch. 935, Secs. 9(d), (h).)

4 Source Law

5 (d) If a vacancy occurs in the office of
6 director, the remaining directors shall appoint a
7 person to fill the vacancy until the next election of
8 directors for the district. If the vacant position is
9 not regularly scheduled to be filled at that election,
10 the person elected at that election to fill the vacancy
11 shall serve only for the unexpired term. However, if
12 the number of qualified directors by reason of
13 vacancies is less than three, the city council of the
14 city, on petition of the owners of a majority in value
15 of the land in the district, as shown by the tax rolls
16 of the city, shall appoint the necessary number of
17 directors to fill all vacancies on the board.

18 (h) The city may not be found liable for an act
19 relating to a district obligation or the operation of
20 the district because of an appointment of a director
21 made by the city as prescribed by Subsection (d) of
22 this section.

23 Revised Law

24 Sec. 8282.103. OFFICERS AND ASSISTANTS. (a) The board
25 shall reorganize and elect officers after each election and at any
26 other time the board considers appropriate.

27 (b) The board may designate one or more assistant
28 secretaries and an assistant treasurer. An assistant secretary or
29 assistant treasurer is not required to be a director.

30 (c) The board secretary or one of the assistant secretaries:

31 (1) shall keep the minutes of the meetings of the board
32 and all official records of the board; and

33 (2) may certify as to the accuracy or authenticity of
34 any actions, proceedings, minutes, or records of the board or of the
35 district. (Acts 69th Leg., R.S., Ch. 935, Secs. 10(a) (part), (b).)

36 Source Law

37 (a) . . . After each election and at any other
38 time the board considers appropriate, the board shall
39 reorganize and elect new officers.

40 (b) The board may designate one or more
41 assistant secretaries and an assistant treasurer, who
42 are not required to be members of the board. The
43 secretary of the board or one of the assistant
44 secretaries shall be responsible for keeping the
45 minutes of the meetings of the board and all official
46 records of the board and may certify as to the accuracy
47 or authenticity of any actions, proceedings, minutes,
48 or records of the board or of the district.

1 Revised Law

2 Sec. 8282.104. COMPENSATION. Unless the board by
3 resolution increases the fee to an amount authorized by Section
4 49.060, Water Code, each director is entitled to receive
5 compensation in an amount not to exceed \$50 for each meeting of the
6 board, as determined by the board. (Acts 69th Leg., R.S., Ch. 935,
7 Sec. 11 (part).)

8 Source Law

9 Sec. 11. Each member of the board is entitled to
10 receive compensation in an amount up to \$50 for each
11 meeting of the board as determined by the board
12 and

13 Revisor's Note

14 (1) Section 11, Chapter 935, Acts of the 69th
15 Legislature, Regular Session, 1985, provides for a \$50
16 director's fee for attendance at a board meeting.
17 Section 49.060, Water Code, enacted in 1995 and
18 applicable by its own terms to the district,
19 authorizes higher fees. Section 49.060(e), however,
20 provides that if the amount of the fee set by Section
21 49.060 would result in a fee increase, the increase
22 does not apply to a district unless the district's
23 board by resolution adopts a higher fee. The revised
24 law is drafted accordingly.

25 (2) Section 11, Chapter 935, Acts of the 69th
26 Legislature, Regular Session, 1985, provides for
27 reimbursement of a director's expenses incurred on the
28 district's behalf or in discharging a duty. The
29 revised law omits the provision because it is
30 expressly superseded by Section 49.060, Water Code
31 (enacted in 1995). The omitted law reads:

32 Sec. 11. . . . directors may be
33 reimbursed for actual expenses incurred on
34 behalf of the district or in the discharge
35 of their duties.

36 Revised Law

37 Sec. 8282.105. BOARD PROCEDURES. The board shall provide

1 the method of execution of all contracts, the signing of checks, and
2 the handling of any other matter approved by the board, as shown in
3 the district's official minutes. (Acts 69th Leg., R.S., Ch. 935,
4 Sec. 10(a) (part).)

5 Source Law

6 Sec. 10. (a) The board shall provide the method
7 of execution of all contracts, the signing of checks,
8 and the handling of any other matters approved by the
9 board, as shown in the official minutes of the
10 district. . . .

11 Revisor's Note
12 (End of Subchapter)

13 (1) Sections 9(b), (c), and (e), Chapter 935,
14 Acts of the 69th Legislature, Regular Session, 1985,
15 refer to the initial board of directors. Section 9(e),
16 Chapter 935, Acts of the 69th Legislature, Regular
17 Session, 1985, also establishes the manner in which
18 the terms of the first elected board of directors
19 expire. The revised law omits those provisions as
20 executed. The omitted law reads:

21 (b) On the effective date of this
22 Act, the following persons are the initial
23 directors of the district:

- 24 (1) John Whiteside;
- 25 (2) Jay Kanter;
- 26 (3) Russell Orms;
- 27 (4) Tom Goodiel; and
- 28 (5) Jerry Ragsdale.

29 (c) The initial directors shall
30 qualify to serve as directors before the
31 first meeting of the board by taking the
32 oath of office, executing a bond, and
33 furnishing evidence of their qualifications
34 as required by Chapter 54, Water Code.

35 (e) The initial directors shall serve
36 until the district is created and the first
37 elected directors of the district are
38 elected at the confirmation and directors'
39 election and the directors have qualified
40 for office. The positions of the two
41 directors who receive the fewest number of
42 votes shall be filled at the first regular
43 directors' election, and the directors
44 first elected to those positions serve only
45 until the directors elected at that first
46 regular directors' election are elected and
47 have qualified for office. The positions of
48 the three remaining directors shall be
49 filled at the second regular directors'
50 election, and the directors first elected
51 to those positions serve only until the
52 directors elected at that second regular

1 election are elected and have qualified for
2 office.

3 (2) Section 9(f), Chapter 935, Acts of the 69th
4 Legislature, Regular Session, 1985, provides that
5 directors' elections in the district shall be held on
6 "the first Tuesday after the first Monday in November
7 of each odd-numbered year." The revised law omits that
8 provision as impliedly repealed by Section 49.103(b),
9 Water Code, enacted in 1995 and amended in 2001 and
10 2005, which requires elections of directors to be held
11 on the uniform election date established by the
12 Election Code in May of each even-numbered year. The
13 omitted law reads:

14 (f) After the confirmation and
15 directors' election, a regular directors'
16 election shall be held on the first Tuesday
17 after the first Monday in November of each
18 odd-numbered year to elect the appropriate
19 number of directors.

20 (3) Section 12, Chapter 935, Acts of the 69th
21 Legislature, Regular Session, 1985, requires the board
22 of directors of the district to hold "regular,
23 special, or emergency meetings" of the board. The
24 revised law omits that provision because it duplicates
25 in substance Section 49.064, Water Code, which
26 requires the board to hold regular and special
27 meetings as necessary to conduct business. Although
28 Section 49.064 does not specifically refer to
29 "emergency meetings" of a district's board of
30 directors, an emergency meeting is a type of special
31 meeting. Further, Section 49.064 provides that "[a]ll
32 meetings shall be conducted in accordance with the
33 open meetings law, Chapter 551, Government Code."
34 Chapter 551, Government Code, provides for emergency
35 meetings. See Section 551.045, Government Code. The
36 omitted law reads:

37 Sec. 12. The board shall hold
38 regular, special, or emergency meetings at
39 those times and on those dates the board

1 determines.

2 (4) Section 13, Chapter 935, Acts of the 69th
3 Legislature, Regular Session, 1985, requires the board
4 of directors of the district to designate one or more
5 offices and meeting places. The revised law omits the
6 provision because it duplicates Sections 49.062(a) and
7 (b), Water Code. The omitted law reads:

8 Sec. 13. The board shall designate
9 one or more offices of the district and one
10 or more meeting places of the board either
11 inside or outside the district.

12 (5) Section 6, Chapter 1213, Acts of the 75th
13 Legislature, Regular Session, 1997, provides
14 transition language related to the terms of office for
15 certain members of the district's board of directors
16 and to the election or appointment of successor
17 directors. The revised law omits the language
18 regarding the terms of those directors as executed.
19 The revised law omits the language regarding the
20 election or appointment of successors because it
21 duplicates Section 8282.102 and also Section 9(f),
22 Chapter 935, which was omitted from the revised law for
23 the reason stated in Revisor's Note (2) to the end of
24 this subchapter. The omitted law reads:

25 Sec. 6. The terms of the members of
26 the board of directors of the Falcon's Lair
27 Utility and Reclamation District serving on
28 the effective date of this Act who were
29 appointed by the city council of the City of
30 Mesquite, Texas, expire on the first
31 Tuesday after the first Monday in November,
32 1997. The terms of the remaining members of
33 the board of directors of the Falcon's Lair
34 Utility and Reclamation District serving on
35 the effective date of this Act expire on the
36 first Tuesday after the first Monday in
37 November, 1999. Successor directors shall
38 be elected or appointed in the manner
39 provided by Section 9, Chapter 935, Acts of
40 the 69th Legislature, Regular Session,
41 1985, as amended by this Act.

42 [Sections 8282.106-8282.150 reserved for expansion]

1 SUBCHAPTER D. POWERS AND DUTIES

2 Revised Law

3 Sec. 8282.151. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions
5 conferred, contemplated, and described by Section 59, Article XVI,
6 Texas Constitution, including the rights, powers, privileges, and
7 functions conferred by the general law applicable to municipal
8 utility districts operating under Chapter 54, Water Code. (Acts
9 69th Leg., R.S., Ch. 935, Sec. 7 (part).)

10 Source Law

11 Sec. 7. . . . the district has the rights,
12 powers, privileges, authority, and functions granted,
13 conferred, contemplated, and described in Article XVI,
14 Section 59, of the Texas Constitution, including the
15 rights, powers, privileges, authority, and functions
16 conferred by the general laws of this state applicable
17 to municipal utility districts operating under Chapter
18 54, Water Code,

19 Revisor's Note

20 (1) Section 7, Chapter 935, Acts of the 69th
21 Legislature, Regular Session, 1985, refers to the
22 "powers" and "authority" of the district. Throughout
23 this chapter, the revised law omits the reference to
24 "authority" in this context because "authority" is
25 included in the meaning of "powers."

26 (2) Section 7, Chapter 935, Acts of the 69th
27 Legislature, Regular Session, 1985, refers to the
28 rights, powers, privileges, authority, and functions
29 "granted, conferred, contemplated, and described" by
30 the constitution. The revised law omits the reference
31 to "granted" because in this context, "granted" is
32 included in the meaning of "conferred."

33 (3) Section 7, Chapter 935, Acts of the 69th
34 Legislature, Regular Session, 1985, provides that the
35 district has certain rights, powers, privileges,
36 authority, and functions granted by general law,
37 "together with" the rights, powers, privileges,
38 authority, and functions under the act. Section 8(a),

1 Chapter 935, Acts of the 69th Legislature, Regular
2 Session, 1985, provides that the district has certain
3 rights, powers, privileges, authority, and functions
4 granted by that section. The revised law omits the
5 provisions because a substantive provision of this
6 chapter that grants a right, power, privilege,
7 authority, or function is sufficient by itself to
8 grant the right, power, privilege, authority, or
9 function. The omitted law reads:

10 Sec. 7. . . . together with the
11 additional rights, powers, privileges,
12 authority, and functions enumerated,
13 described, expressed, or implied by this
14 Act. . . .

15 Sec. 8. (a) The district has the
16 additional rights, powers, privileges,
17 authority, and functions provided by this
18 section.

19 (4) Section 7, Chapter 935, Acts of the 69th
20 Legislature, Regular Session, 1985, provides that the
21 district has certain rights "[s]ubject to the specific
22 provisions of this Act" and that that act prevails over
23 general law in case of a conflict or other
24 inconsistency. The revised law omits the provisions
25 as unnecessary. The "specific provisions" of Chapter
26 935 affecting those rights apply on their own terms.
27 The provision regarding a conflict or inconsistency
28 with general law duplicates Section 311.026,
29 Government Code (Code Construction Act). The omitted
30 law reads:

31 Sec. 7. Subject to the specific
32 provisions of this Act, [the district has
33 the rights] If any general law is
34 in conflict or inconsistent with this Act,
35 this Act prevails.

36 Revised Law

37 Sec. 8282.152. AUTHORITY TO CONSTRUCT OR ACQUIRE WORKS AND
38 FACILITIES. Subject to compliance with applicable codes,
39 ordinances, resolutions, and rules of the city, the district may
40 plan, lay out, purchase, construct, acquire, own, operate,

1 maintain, repair, or improve, inside or outside the boundaries of
2 the district, any works, improvements, facilities, plants,
3 equipment, and appliances, including any administrative buildings,
4 properties, and facilities, any permits, franchises, licenses, or
5 contract or property rights, and any levees, drains, waterways,
6 lakes, reservoirs, channels, conduits, sewers, dams, storm water
7 detention facilities, or other similar facilities and
8 improvements, whether for municipal, industrial, agricultural,
9 recreational, conservation, reclamation, or flood control
10 purposes, that are necessary, helpful, or incidental to the
11 exercise of any right, power, privilege, or function provided by
12 this chapter. (Acts 69th Leg., R.S., Ch. 935, Sec. 8(e).)

13 Source Law

14 (e) Subject to compliance with the general law
15 of the state and applicable codes, ordinances,
16 resolutions, rules, and regulations of the city, the
17 district may plan, lay out, purchase, construct,
18 acquire, own, operate, maintain, repair, and improve,
19 inside or outside its boundaries, works, improvements,
20 facilities, plants, equipment, and appliances,
21 including any administrative buildings, properties,
22 and facilities, any permits, franchises, licenses or
23 contract or property rights, and any levees, drains,
24 waterways, lakes, reservoirs, channels, conduits,
25 sewers, dams, stormwater detention facilities, or
26 other similar facilities and improvements, whether for
27 municipal, industrial, agricultural, recreational,
28 conservation, reclamation, or flood control purposes,
29 that are necessary, helpful, or incidental to the
30 exercise of any right, power, privilege, authority, or
31 function provided by this Act.

32 Revisor's Note

33 (1) Section 8(e), Chapter 935, Acts of the 69th
34 Legislature, Regular Session, 1985, provides that the
35 district may exercise certain powers subject to
36 compliance with "the general law of the state." The
37 revised law omits the quoted language because it is
38 unnecessary to state that the district must comply
39 with general law; general laws apply in the absence of
40 such a statement.

41 (2) Section 8(e), Chapter 935, Acts of the 69th
42 Legislature, Regular Session, 1985, refers to "rules"
43 and "regulations." Throughout this chapter, the

1 revised law omits the reference to "regulations" in
2 this context because under Section 311.005(5),
3 Government Code (Code Construction Act), a rule is
4 defined to include a regulation.

5 Revised Law

6 Sec. 8282.153. ROADS. (a) To the extent authorized by
7 Section 52, Article III, Texas Constitution, the district may
8 provide for the construction, maintenance, and operation of a
9 macadamized, graveled, or paved road or turnpike, or a work,
10 facility, or improvement in aid of a road or turnpike, inside or
11 outside the district's boundaries.

12 (b) Subject to compliance with Sections 8282.252(a) and
13 (b), the district may issue, sell, and deliver bonds, notes, or
14 other district obligations for a purpose described by Subsection
15 (a) and may impose taxes to pay the bonds.

16 (c) Without the city's consent and approval, the district
17 may not undertake to construct, maintain, operate, repair,
18 reconstruct, cross, or intersect any city street or road.

19 (d) Sections 49.181, 49.182, and 54.5161, Water Code, do not
20 apply to projects undertaken by the district under this section.

21 (Acts 69th Leg., R.S., Ch. 935, Secs. 8(b), 19(c) (part).)

22 Source Law

23 [Sec. 8]

24 (b) The district may provide for the
25 construction, maintenance, and operation of
26 macadamized, graveled, or paved roads and turnpikes,
27 or works, facilities, or improvements in aid of those
28 roads and turnpikes, inside or outside the boundaries
29 of the district, to the extent authorized by Article
30 III, Section 52, of the Texas Constitution. Subject to
31 compliance with Subsection (b), Section 19, of this
32 Act, the district may issue, sell, and deliver the
33 bonds, notes, or other obligations of the district for
34 those purposes and may assess, levy, and collect taxes
35 to pay the bonds. Without the consent and approval of
36 the city, the district may not undertake to construct,
37 maintain, operate, repair, reconstruct, cross, or
38 intersect any streets or roads of the city.

39 [Sec. 19]

40 (c) Sections 54.516, 54.5161, and 54.517, Water
41 Code, do not apply to projects undertaken by the
42 district pursuant to the authority of Subsection (b),
43 Section 8, of this Act or

1 Revisor's Note

2 Section 19(c), Chapter 935, Acts of the 69th
3 Legislature, Regular Session, 1985, refers to
4 "Sections 54.516, 54.5161, and 54.517, Water Code."
5 Chapter 715, Acts of the 74th Legislature, Regular
6 Session, 1995, repealed Sections 54.516 and 54.517,
7 Water Code, and enacted Sections 49.181 and 49.182,
8 Water Code, respectively, to govern matters previously
9 governed by the repealed sections. The revised law is
10 drafted accordingly.

11 Revised Law

12 Sec. 8282.154. IMPROVEMENT PROJECTS AND SERVICES. (a) The
13 board may undertake an improvement project or service that confers
14 a special benefit on all or a definable part of the district.

15 (b) The board may levy and collect special assessments on
16 property in the area described by Subsection (a), based on the
17 benefit conferred by the improvement project or service, to pay all
18 or part of the cost of the project or service.

19 (c) An improvement project or service provided by the
20 district may include the acquisition, construction, or financing of
21 water, wastewater, or drainage facilities, streets, sidewalks, or
22 roadways.

23 (d) Sections 375.113-375.124, Local Government Code, apply
24 to the financing of an improvement project or service under this
25 section. (Acts 69th Leg., R.S., Ch. 935, Sec. 20A.)

26 Source Law

27 Sec. 20A. (a) The board may undertake an
28 improvement project or service that confers a special
29 benefit on all or a definable part of the district.

30 (b) The board may levy and collect special
31 assessments on property in the area described by
32 Subsection (a) of this section, based on the benefit
33 conferred by the improvement project or service, to
34 pay all or part of the cost of the project or service.

35 (c) An improvement project or service provided
36 by the district may include the acquisition,
37 construction, or financing of water, wastewater, or
38 drainage facilities, streets, sidewalks, or roadways.

39 (d) Sections 375.113 through 375.124, Local
40 Government Code, apply to the financing of an
41 improvement project or service under this subsection.

1 Revised Law

2 Sec. 8282.155. FIRE DEPARTMENT. (a) The district may
3 establish, operate, and maintain a fire department to perform all
4 firefighting activities in the district and may issue bonds and
5 impose taxes to pay for the department and the activities, as
6 authorized by Section 59(f), Article XVI, Texas Constitution, and
7 Section 49.351, Water Code. For purposes of this chapter, a
8 reference in Section 49.351, Water Code, to the Texas Commission on
9 Environmental Quality or the executive director of the commission
10 means the city council of the city.

11 (b) The city has the superior right to provide the degree of
12 firefighting services the city considers to be in the city's best
13 interests. (Acts 69th Leg., R.S., Ch. 935, Sec. 8(c).)

14 Source Law

15 (c) The district may establish, operate, and
16 maintain a fire department to perform all
17 fire-fighting activities within the district and may
18 issue bonds and levy taxes to pay for the department
19 and the activities, as authorized by Article XVI,
20 Section 59(f), of the Texas Constitution and Section
21 50.055, Water Code. The references in Section 50.055,
22 Water Code, to the Texas Water Commission and the
23 executive director of the Texas Department of Water
24 Resources mean the city council of the city under this
25 Act. The city has the superior right to provide the
26 degree of fire-fighting services it considers to be in
27 the best interests of the city.

28 Revisor's Note

29 (1) Section 8(c), Chapter 935, Acts of the 69th
30 Legislature, Regular Session, 1985, refers to Section
31 50.055, Water Code. Chapter 715, Acts of the 74th
32 Legislature, Regular Session, 1995, repealed Section
33 50.055, Water Code, and enacted Section 49.351, Water
34 Code, to govern matters previously governed by the
35 repealed section. The revised law is drafted
36 accordingly.

37 (2) Section 8(c), Chapter 935, Acts of the 69th
38 Legislature, Regular Session, 1985, refers to the
39 "Texas Water Commission" and to the "executive
40 director of the Texas Department of Water Resources."

1 To reflect the current name of the agency with the
2 relevant regulatory authority, the revised law
3 substitutes "Texas Commission on Environmental
4 Quality" for "Texas Water Commission" and for "Texas
5 Department of Water Resources" and substitutes
6 "executive director of the Texas Commission on
7 Environmental Quality" for "executive director of the
8 Texas Department of Water Resources."

9 Revised Law

10 Sec. 8282.156. DISTRICT CONTRACTS. (a) Except as provided
11 by this section, a contract for the purchase or construction of
12 materials, machinery, or other things used to constitute the
13 district's works, improvements, facilities, plants, equipment, or
14 appliances must be advertised, let, and awarded as provided by
15 Section 49.273, Water Code.

16 (b) If the district determines, after a contract has been
17 awarded, that additional work is needed or that the character or
18 type of the work or facilities should be changed, the board may
19 authorize change orders to the contract on terms the board
20 approves, provided the change does not increase the total cost of
21 the contract by more than 25 percent.

22 (c) The district must seek informal competitive bids or
23 proposals from at least three bidders if:

24 (1) the estimated amount of a proposed construction
25 contract is more than \$5,000 but less than \$25,000; or

26 (2) the duration of a proposed construction contract
27 is more than two years.

28 (d) A contract must be written and awarded to the lowest and
29 best bidder. (Acts 69th Leg., R.S., Ch. 935, Sec. 22.)

30 Source Law

31 Sec. 22. (a) Contracts for the purchase or
32 construction of materials, machinery, and all things
33 to constitute the works, improvements, facilities,
34 plants, equipment, and appliances of the district
35 shall be advertised, let, and awarded as provided by
36 Section 54.220, Chapter 54, Water Code.

37 (b) After a contract has been awarded and the
38 district determines that additional work is needed or

1 that the character or type of the work or facilities
2 should be changed, the board may authorize change
3 orders to the contract on terms the board may approve,
4 provided the change does not increase the total cost of
5 the contract by more than 25 percent.

6 (c) If the estimated amount of a proposed
7 construction contract is more than \$5,000, but less
8 than \$25,000, or the duration of the contract is more
9 than two years, informal competitive bids or proposals
10 shall be asked from at least three bidders.

11 (d) Contracts shall be written and shall be
12 awarded to the lowest and best bidder.

13 Revisor's Note

14 Section 22(a), Chapter 935, Acts of the 69th
15 Legislature, Regular Session, 1985, refers to Section
16 54.220, Water Code. Chapter 715, Acts of the 74th
17 Legislature, Regular Session, 1995, repealed Section
18 54.220, Water Code, and enacted Section 49.273, Water
19 Code, to govern matters previously governed by the
20 repealed section. The revised law is drafted
21 accordingly.

22 Revised Law

23 Sec. 8282.157. GENERAL CONTRACTING AUTHORITY. (a) The
24 district may contract with the United States, this state or its
25 agencies, the city, any other public agency or entity, or an
26 individual, corporation, or other entity for the operation and
27 maintenance or the construction of any facility or improvement
28 authorized by this chapter.

29 (b) A contract that obligates the district to make payments
30 in whole or in part from ad valorem taxes, other than maintenance
31 taxes, is subject to approval at an election held under the same
32 procedures required for the issuance of bonds payable from ad
33 valorem taxes. (Acts 69th Leg., R.S., Ch. 935, Secs. 23(a), (c).)

34 Source Law

35 Sec. 23. (a) The district may enter into
36 contracts with the United States and its agencies, the
37 state and its agencies, the city, any other public
38 agency or entity, individuals or corporations, or any
39 other entity for the operation and maintenance or the
40 construction of any facility or improvement authorized
41 by this Act.

42 (c) Any contract obligating the district to make
43 payments in whole or in part from ad valorem taxes,
44 other than maintenance taxes, is subject to approval
45 at an election held under the same procedures required

1 for the issuance of bonds payable from ad valorem
2 taxes.

3 Revisor's Note

4 Section 23(a), Chapter 935, Acts of the 69th
5 Legislature, Regular Session, 1985, refers to "the
6 United States and its agencies." The revised law omits
7 "its agencies" because under Section 311.005(9),
8 Government Code (Code Construction Act), "United
9 States" is defined to include an agency of the United
10 States of America.

11 Revised Law

12 Sec. 8282.158. WATER AND SEWER CONTRACTS. (a) The district
13 and the city may enter into, execute, and perform contracts under
14 Section 552.014, Local Government Code, as they consider to be
15 appropriate and mutually advantageous.

16 (b) A contract under this section may provide for the
17 district's acquisition for the benefit of the city and the
18 district's conveyance to the city of, and the city's acceptance and
19 ownership of and payment for, all or any designated portion of any
20 of the works, facilities, improvements, equipment, appliances,
21 properties, and contract rights as provided by Section 552.014,
22 Local Government Code, that:

23 (1) the district is authorized under this chapter to
24 purchase, acquire, construct, own, or improve; and

25 (2) the city, under its home-rule charter or under
26 general law, would have been or may be authorized to purchase,
27 acquire, construct, own, or improve in its own name or behalf.
28 (Acts 69th Leg., R.S., Ch. 935, Sec. 24.)

29 Source Law

30 Sec. 24. The district and the city may enter
31 into, execute, perform, and carry out contracts they
32 may consider appropriate and mutually advantageous
33 under Chapter 224, Acts of the 56th Legislature,
34 Regular Session, 1959 (Article 1109j, Vernon's Texas
35 Civil Statutes). Those contracts may provide for the
36 district's acquisition for the benefit of the city and
37 the district's conveyance to the city of, and the
38 city's acceptance and ownership of and payment for, all
39 or any designated portions of any of the works,
40 facilities, improvements, equipment, appliances,
41 properties, and contract rights as provided by Chapter

1 224, Acts of the 56th Legislature, Regular Session,
2 1959 (Article 1109j, Vernon's Texas Civil Statutes),
3 which the district is authorized by this Act to
4 purchase, acquire, construct, own, or improve and
5 which the city, under its home-rule charter or under
6 the general law of this state, would have been or may
7 be authorized to purchase, acquire, construct, own, or
8 improve in its own name or behalf.

9 Revisor's Note

10 Section 24, Chapter 935, Acts of the 69th
11 Legislature, Regular Session, 1985, refers to Chapter
12 224, Acts of the 56th Legislature, Regular Session,
13 1959 (Article 1109j, Vernon's Texas Civil Statutes).
14 Article 1109j was codified in 1987 as Section 402.014,
15 Local Government Code. Section 402.014, Local
16 Government Code, was renumbered as Section 552.014,
17 Local Government Code, by Section 3.76(a)(2)(B),
18 Chapter 885, Acts of the 80th Legislature, Regular
19 Session, 2007. The revised law is drafted accordingly.

20 Revised Law

21 Sec. 8282.159. EMINENT DOMAIN. (a) The district may
22 exercise the power of eminent domain in the manner, with the
23 privileges, rights, and immunities, and subject to the conditions
24 and limitations provided by Sections 49.222 and 49.223, Water Code,
25 to acquire land, an easement, a right-of-way, or other property or
26 improvement that is or may be needed to carry out the district's
27 powers, purposes, and functions.

28 (b) Without the city's advance written consent and
29 approval, the district may not begin eminent domain proceedings for
30 a purpose described by Subsection (a).

31 (c) Without approval by city ordinance or resolution, the
32 district may not exercise the power of eminent domain to acquire any
33 land, easement, right-of-way, or other property or improvement
34 owned by the city or any city agency or instrumentality. (Acts 69th
35 Leg., R.S., Ch. 935, Sec. 8(d).)

36 Source Law

37 (d) The district may exercise the power of
38 eminent domain in the manner, with the privileges,
39 rights, and immunities, and subject to the conditions
40 and limitations provided by Sections 54.212 and

1 54.213, Water Code, to acquire land, easements,
2 rights-of-way, or other property or improvements that
3 are or may be needed to carry out the powers, purposes,
4 and functions of the district. However, without the
5 advance written consent and approval of the city, the
6 district may not commence eminent domain proceedings
7 for any of those purposes, and without approval by city
8 ordinance or resolution, the district may not exercise
9 the power of eminent domain for the purpose of
10 acquiring any land, easements, rights-of-way, or other
11 property or improvements owned by the city, or any
12 agency or instrumentality of the city.

13 Revisor's Note

14 Section 8(d), Chapter 935, Acts of the 69th
15 Legislature, Regular Session, 1985, refers to Sections
16 54.212 and 54.213, Water Code. Chapter 715, Acts of the
17 74th Legislature, Regular Session, 1995, repealed
18 Sections 54.212 and 54.213, Water Code, and enacted
19 Sections 49.222 and 49.223, Water Code, respectively,
20 to govern matters previously governed by the repealed
21 sections. The revised law is drafted accordingly.

22 Revised Law

23 Sec. 8282.160. PROVISION OF WATER AND SEWER SERVICES BY
24 CITY. (a) Notwithstanding Section 8282.157(a), to the extent that
25 the city considers practical, the city may provide water supply and
26 sewer services to residential retail customers in the district and
27 may provide water supply and wastewater treatment services to the
28 district, under a mutually agreeable contract or otherwise.

29 (b) The district is responsible for an off-site extension
30 that is required to provide water supply and sewer service. (Acts
31 69th Leg., R.S., Ch. 935, Sec. 23(b).)

32 Source Law

33 (b) Notwithstanding Subsection (a) of this
34 section, to the extent that the city considers it
35 practical to do so, the city may provide water supply
36 and sewer services to residential retail customers in
37 the district and may provide water supply and
38 wastewater treatment services to the district,
39 pursuant to mutually agreeable contracts or otherwise.
40 The district is responsible for an off-site extension
41 that is required to provide water supply and sewer
42 service.

43 Revised Law

44 Sec. 8282.161. REGULATORY AUTHORITY. (a) With respect to
45 district property, the district has the regulatory and police power

1 provided by Chapters 49 and 54, Water Code, except as limited by
2 this section.

3 (b) Except with respect to any rules relating to the
4 operation, use, or occupancy of the lakes, reservoirs, levees,
5 channels, drains, dams, and contiguous or adjacent facilities
6 constructed or to be constructed and owned or controlled by the
7 district, the board may not adopt a rule that includes a penal
8 provision to be enforced by a district peace officer unless the city
9 has approved the adoption of the rule. The proposed rule must be
10 presented to the city for the city's review and approval at least 30
11 days before the rule's effective date.

12 (c) The district may not adopt a penal rule that conflicts
13 or is inconsistent with any ordinance of general applicability in
14 the city.

15 (d) The district may not adopt or enforce a rule relating to
16 the city's streets or roads. (Acts 69th Leg., R.S., Ch. 935, Secs.
17 26(a), (b), (c), (d); New.)

18 Source Law

19 Sec. 26. (a) With respect to the property of
20 the district, the district has the regulatory and
21 police power provided by Chapter 54, Water Code, with
22 the following limitations provided by Subsections
23 (b)-(d) of this section.

24 (b) Except with respect to any rules and
25 regulations relating to the operation, use, or
26 occupancy of the lakes, reservoirs, levees, channels,
27 drains, dams, and contiguous or adjacent facilities
28 constructed or to be constructed and owned or
29 controlled by the district, a rule or regulation of the
30 district that includes a penal provision to be
31 enforced by a peace officer of the district must be
32 approved by the city as a condition precedent to its
33 adoption and must be submitted to the city for its
34 review and approval at least 30 days before its
35 effective date.

36 (c) The district may not adopt penal rules or
37 regulations that conflict or are inconsistent with any
38 ordinance of general application in the city.

39 (d) The district may not adopt or enforce a rule
40 or regulation relating to the city's streets or roads.

41 Revisor's Note

42 Section 26(a), Chapter 935, Acts of the 69th
43 Legislature, Regular Session, 1985, refers to
44 "regulatory and police power provided by Chapter 54,
45 Water Code." Chapter 715, Acts of the 74th

1 Legislature, Regular Session, 1995, repealed some of
2 the relevant provisions of Chapter 54, Water Code, and
3 enacted Chapter 49, Water Code, which also governs the
4 regulatory and police power of the district. For the
5 reader's convenience, the revised law includes a
6 reference to Chapter 49, Water Code.

7 Revised Law

8 Sec. 8282.162. POLICE PROTECTION. Except for providing for
9 the security of lakes, reservoirs, levees, channels, drains, dams,
10 and contiguous and adjacent facilities, excluding parks and streets
11 owned or controlled by the district, the district may not provide
12 peace officers or have responsibility for police protection in the
13 city's corporate limits. That function is a responsibility of the
14 city. (Acts 69th Leg., R.S., Ch. 935, Sec. 26(e).)

15 Source Law

16 (e) Except for the security of lakes,
17 reservoirs, levees, channels, drains, dams, and
18 contiguous and adjacent facilities, excluding parks
19 and streets owned or controlled by the district, the
20 district may not provide peace officers or have
21 responsibility for police protection within the city's
22 corporate limits, but this function is a
23 responsibility of the city.

24 Revised Law

25 Sec. 8282.163. DISTRICT ELECTIONS. (a) The board shall
26 order each election the district is required to hold.

27 (b) Notice of a district election must be published once a
28 week for two consecutive weeks in a newspaper with general
29 circulation in the city, with the first publication occurring at
30 least 14 days before the date of the election.

31 (c) A district election held for any purpose may be held
32 separately or at the same time as an election for another purpose
33 including a director or maintenance tax election that may be held on
34 the same day as a bond election or another election. An election
35 held at the same time as an election for another purpose may be
36 called by the board in a single election order, and the results may
37 be canvassed in a single order. (Acts 69th Leg., R.S., Ch. 935,
38 Secs. 16(a), (c), (d).)

1 Source Law

2 Sec. 16. (a) Elections required to be held by
3 the district shall be called and the results canvassed
4 by the board.

5 (c) Notice of district elections shall be given
6 by publication in a newspaper with general circulation
7 in the city once a week for two consecutive weeks, with
8 the first publication occurring at least 14 days
9 before the date of the election.

10 (d) An election held by the district for any
11 purpose may be held separately or may be held at the
12 same time as elections for other purposes including
13 any confirmation, director, or maintenance tax
14 election that may be held on the same day as a bond
15 election or any other election. An election held at
16 the same time as elections for other purposes may be
17 called by the board in a single election order and the
18 results canvassed in a single order.

19 Revisor's Note

20 (1) Section 16(a), Chapter 935, Acts of the 69th
21 Legislature, Regular Session, 1985, provides that a
22 district election "shall be called" by the board. The
23 revised law substitutes "shall order" for "shall be
24 called" because "order" is the term used in Chapter 3,
25 Election Code.

26 (2) Section 16(a), Chapter 935, Acts of the 69th
27 Legislature, Regular Session, 1985, provides that the
28 board shall canvass the results of a district
29 election. The revised law omits that provision
30 because it duplicates Section 67.002, Election Code,
31 which requires the governing body of a political
32 subdivision that orders an election to canvass the
33 returns.

34 (3) Section 16(b), Chapter 935, Acts of the 69th
35 Legislature, Regular Session, 1985, provides that
36 "[u]nless otherwise provided by this Act," district
37 elections "shall be held in accordance with the Texas
38 Election Code." The revised law omits the quoted
39 language because Section 1.002, Election Code,
40 provides that the Election Code applies to all
41 elections held in this state. An exception to the
42 application of the Election Code would apply by its own

1 terms. The omitted law reads:

2 (b) Unless otherwise provided by this
3 Act, elections shall be held in accordance
4 with the Texas Election Code.

5 (4) Section 16(d), Chapter 935, Acts of the 69th
6 Legislature, Regular Session, 1985, refers to a
7 "confirmation" election. Because the confirmation
8 election occurred in 1985, the revised law omits the
9 reference as executed.

10 Revised Law

11 Sec. 8282.164. APPLICABILITY OF CITY ORDINANCES, CODES,
12 RESOLUTIONS, AND RULES. Except as expressly provided, this chapter
13 does not exempt the district from the terms of any applicable
14 ordinances, codes, resolutions, or rules of the city. (Acts 69th
15 Leg., R.S., Ch. 935, Sec. 27 (part).)

16 Source Law

17 Sec. 27. Except as expressly provided, this Act
18 does not exempt the district . . . or from the terms
19 and provisions of any applicable ordinances, codes,
20 resolutions, rules, or regulations of the city.

21 Revisor's Note

22 (1) Section 27, Chapter 935, Acts of the 69th
23 Legislature, Regular Session, 1985, provides that the
24 district is not exempt from the continuing right of
25 supervision of the state, acting through the Texas
26 Department of Water Resources. The revised law omits
27 the provision because, as explained by Revisor's Note
28 (2) to Section 8282.155, the Texas Commission on
29 Environmental Quality is the successor to the Texas
30 Department of Water Resources, and therefore the
31 provision duplicates, in substance, part of Section
32 12.081, Water Code, which applies to the district. The
33 omitted law reads:

34 Sec. 27. . . . [this Act does not
35 exempt the district] from the continuing
36 right of supervision of the state to be
37 exercised by and through the Texas
38 Department of Water Resources

39 (2) Section 27, Chapter 935, Acts of the 69th

1 Legislature, Regular Session, 1985, refers to the
2 "terms and provisions" of city ordinances, codes,
3 resolutions, rules, or regulations. The revised law
4 omits the reference to "provisions" because
5 "provisions" is included in the meaning of "terms."

6 [Sections 8282.165-8282.200 reserved for expansion]

7 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

8 Revised Law

9 Sec. 8282.201. GENERAL FINANCIAL POWERS. The board may:

10 (1) spend and borrow money;

11 (2) issue bond anticipation notes and tax anticipation
12 notes;

13 (3) impose maintenance taxes; and

14 (4) carry out all acts and exercise all powers
15 provided by Subchapter E, Chapter 49, Water Code. (Acts 69th Leg.,
16 R.S., Ch. 935, Sec. 18.)

17 Source Law

18 Sec. 18. The board may expend funds, borrow
19 money, issue bond anticipation notes and tax
20 anticipation notes, levy and collect maintenance
21 taxes, and carry out all acts and exercise all powers
22 provided by Subchapter E, Chapter 54, Water Code.

23 Revisor's Note

24 (1) Section 18, Chapter 935, Acts of the 69th
25 Legislature, Regular Session, 1985, refers to the
26 district's authority to expend "funds." Throughout
27 this chapter, the revised law substitutes "money" for
28 "funds" (except where a specific type of fund is
29 indicated) because, in context, the meaning is the
30 same and "money" is the more commonly used term.

31 (2) Section 18, Chapter 935, Acts of the 69th
32 Legislature, Regular Session, 1985, refers to "powers
33 provided by Subchapter E, Chapter 54, Water Code."
34 Chapter 715, Acts of the 74th Legislature, Regular
35 Session, 1995, repealed Subchapter E, Chapter 54,
36 Water Code, and enacted Subchapter E, Chapter 49,

1 Water Code, to govern matters previously governed by
2 the repealed sections. The revised law is drafted
3 accordingly.

4 Revised Law

5 Sec. 8282.202. TAX METHOD. (a) The district shall use the
6 ad valorem plan of taxation.

7 (b) Subchapter G, Chapter 54, Water Code, applies to all
8 matters relating to the imposition of district taxes. (Acts 69th
9 Leg., R.S., Ch. 935, Sec. 21.)

10 Source Law

11 Sec. 21. The ad valorem plan of taxation shall
12 be used by the district, and Subchapter G, Chapter 54,
13 Water Code, and the Property Tax Code apply to all
14 matters relating to the levy, assessment, and
15 collection of both current and delinquent taxes of the
16 district.

17 Revisor's Note

18 Section 21, Chapter 935, Acts of the 69th
19 Legislature, Regular Session, 1985, provides that "the
20 Property Tax Code" applies to the levy, assessment,
21 and collection of "both current and delinquent taxes
22 of the district." The revised law omits the reference
23 to the Property Tax Code because that code (Title 1,
24 Tax Code) applies to the district under Section 1.02,
25 Tax Code. The revised law omits the reference to
26 "current and delinquent taxes" because taxes that have
27 been assessed and levied are either current or
28 delinquent, and the reference does not add to the clear
29 meaning of the law.

30 Revised Law

31 Sec. 8282.203. TAX COLLECTOR. (a) The board shall appoint
32 a person as tax collector for the district and may appoint deputies
33 considered necessary.

34 (b) Each person appointed under this section shall qualify
35 by executing a bond in the amount of \$10,000 payable to the
36 district, approved by the board, and conditioned on the faithful
37 performance of the person's duties.

1 (c) The board shall set the compensation for the tax
2 collector and any deputy tax collector. (Acts 69th Leg., R.S., Ch.
3 935, Sec. 14.)

4 Source Law

5 Sec. 14. (a) The board shall appoint a person
6 as tax collector for the district and may appoint
7 deputies considered necessary.

8 (b) Each person appointed shall qualify by
9 executing a bond in the amount of \$10,000 payable to
10 the district, approved by the board, and conditioned
11 on the faithful performance of his duties.

12 (c) Compensation for the tax collector and his
13 deputies shall be set by the board.

14 Revised Law

15 Sec. 8282.204. USE OF MAINTENANCE TAX. (a) The board may
16 use and pledge the proceeds received from all or any designated
17 portion of the district's maintenance taxes for any lawful purpose,
18 other than the payment of the principal of or interest on bonds.
19 Bonds must be paid from taxes imposed separately to the extent that
20 those bonds are required to be paid from taxes.

21 (b) The district may not use maintenance taxes for the
22 purpose of maintaining, repairing, operating, or improving any of
23 the works, facilities, and improvements described by Section
24 8282.153 until the district has complied with Sections 8282.252(a)
25 and (b). (Acts 69th Leg., R.S., Ch. 935, Sec. 20.)

26 Source Law

27 Sec. 20. The board may use and pledge the
28 proceeds received from all or any designated portion
29 of the district's maintenance taxes for any lawful
30 purpose, other than the payment of the principal of or
31 interest on bonds. The bonds shall be paid from taxes
32 levied separately to the extent that those bonds are
33 required to be paid from taxes. Also, maintenance
34 taxes may not be used for the purpose of maintaining,
35 repairing, operating, or improving any of the works,
36 facilities, and improvements described by Subsection
37 (b), Section 8, of this Act until the district has
38 complied with Subsection (b), Section 19, of this Act.

39 Revised Law

40 Sec. 8282.205. DEPOSIT AND SECURITY OF DISTRICT MONEY. (a)
41 The district's treasurer shall have district money deposited and
42 invested in the district's depository bank or other banks or
43 savings associations selected by the district's authorized
44 investment officers.

1 (b) To the extent that deposited or invested money 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. (Acts 69th Leg., R.S., Ch. 935, Secs. 15(a), (b).)

5 Source Law

6 Sec. 15. (a) The treasurer of the district
7 shall have funds of the district deposited, invested,
8 and reinvested in the district's depository bank or
9 other banks or savings associations selected by the
10 authorized investment officers of the district.

11 (b) To the extent that deposited or invested
12 funds of the district are not insured by the Federal
13 Deposit Insurance Corporation or the Federal Savings
14 and Loan Insurance Corporation, the funds shall be
15 secured in the manner provided by law for the security
16 of funds of counties of this state.

17 Revisor's Note

18 (1) Section 15(a), Chapter 935, Acts of the 69th
19 Legislature, Regular Session, 1985, refers to the
20 investment and reinvestment of a district deposit.
21 Throughout this chapter, references to "reinvestment"
22 are omitted from the revised law because
23 "reinvestment" in this context is included in the
24 meaning of "investment."

25 (2) Section 15(b), Chapter 935, Acts of the 69th
26 Legislature, Regular Session, 1985, refers to the
27 "Federal Savings and Loan Insurance Corporation." The
28 Financial Institutions Reform, Recovery, and
29 Enforcement Act of 1989 (Pub. L. No. 101-73) abolished
30 the Federal Savings and Loan Insurance Corporation and
31 provided for the insurance of the deposits of savings
32 and loan associations by the Federal Deposit Insurance
33 Corporation. The revised law is drafted accordingly.

34 Revised Law

35 Sec. 8282.206. INVESTMENT OF DISTRICT MONEY. At the
36 direction of the board or any other authorized district
37 representative or investment officer, district money may be
38 invested in direct or indirect obligations of the United States,
39 the state, or any political subdivision of the state, or may be

1 placed in certificates of deposit of state or national banks or
2 savings and loan associations in this state, if that money is
3 secured in the manner provided for the security of county funds.
4 (Acts 69th Leg., R.S., Ch. 935, Sec. 15(c).)

5 Source Law

6 (c) Funds of the district also may be invested
7 and reinvested at the direction of the board or any
8 other authorized representative or investment officer
9 of the district in direct or indirect obligations of
10 the United States, the state, or any county, city,
11 school district, or other political subdivision of the
12 state, or may be placed in certificates of deposit of
13 state or national banks or savings and loan
14 associations within the state, if those funds are
15 secured in the manner provided for the security of
16 funds of counties of this state.

17 Revisor's Note

18 Section 15(c), Chapter 935, Acts of the 69th
19 Legislature, Regular Session, 1985, refers to "any
20 county, city, school district, or other political
21 subdivision of the state." The revised law omits
22 "county," "city," and "school district" because those
23 terms are included in the meaning of "political
24 subdivision of the state."

25 [Sections 8282.207-8282.250 reserved for expansion]

26 SUBCHAPTER F. BONDS

27 Revised Law

28 Sec. 8282.251. AUTHORITY TO ISSUE BONDS. The board may
29 issue bonds as provided by general law, including Sections
30 54.501-54.515 and 54.518-54.521, Water Code. (Acts 69th Leg.,
31 R.S., Ch. 935, Sec. 19(a).)

32 Source Law

33 Sec. 19. (a) The board may issue bonds as
34 provided by Sections 54.501-54.515, and Sections
35 54.518-54.521, Water Code, and the general law of this
36 state.

37 Revised Law

38 Sec. 8282.252. AUTHORITY TO ISSUE BONDS FOR ROADS AND
39 TURNPIKES. (a) The district may not issue bonds for a purpose
40 described by Section 8282.153 unless the bonds are approved by a
41 vote of a two-thirds majority of the voters voting in the district

1 or the territory to be affected by the bonds.

2 (b) Bonds, notes, or other district obligations issued or
3 incurred for a purpose described by Section 8282.153 may not exceed
4 one-fourth of the assessed valuation of the real property of the
5 district or the territory to be affected by the bonds.

6 (c) Sections 49.181, 49.182, and 54.5161, Water Code, do not
7 apply to bonds issued by the district as provided by this section.
8 (Acts 69th Leg., R.S., Ch. 935, Secs. 19(b), (c) (part).)

9 Source Law

10 (b) Bonds for the purposes described in
11 Subsection (b), Section 8, of this Act may not be
12 issued by the district except on a vote of a two-thirds
13 majority of the resident property taxpayers voting who
14 are qualified voters of the district or the territory
15 to be affected by the bonds. Bonds, notes, or other
16 obligations of the district issued or incurred for the
17 purposes described in Subsection (b), Section 8, of
18 this Act may not exceed one-fourth of the assessed
19 valuation of the real property of such district or
20 territory.

21 (c) Sections 54.516, 54.5161, and 54.517, Water
22 Code, do not apply . . . to bonds issued by the
23 district under the authority of Subsection (b) of this
24 section.

25 Revisor's Note

26 (1) Section 19(b), Chapter 935, Acts of the 69th
27 Legislature, Regular Session, 1985, provides that
28 certain district bonds must be approved by a
29 two-thirds majority vote of "the resident property
30 taxpayers voting who are qualified voters of the
31 district or the territory to be affected by the bonds."
32 The revised law omits the references to "resident" and
33 "qualified" because Section 11.001, Election Code,
34 provides that to be eligible to vote in an election, a
35 person must be a qualified voter as defined by Section
36 11.002, Election Code, and be a resident of the
37 territory covered by the election. The revised law
38 omits "property taxpayers" because under Section
39 52(b), Article III, and Section 3a, Article VI, Texas
40 Constitution, a qualified voter may vote without
41 regard to the person's status as a taxpayer.

1 (2) Section 19(c), Chapter 935, Acts of the 69th
2 Legislature, Regular Session, 1985, refers to
3 "Sections 54.516, 54.5161, and 54.517, Water Code."
4 The revised law substitutes references to Sections
5 49.181 and 49.182, Water Code, for Sections 54.516 and
6 54.517, Water Code, respectively, for the reason
7 stated in the revisor's note to Section 8282.153.

8 Revised Law

9 Sec. 8282.253. AUTHORITY TO ISSUE BONDS FOR IMPROVEMENT
10 PROJECTS OR SERVICES. (a) To pay all or part of the costs of an
11 improvement project or service under Section 8282.154, the board
12 may issue bonds in one or more series payable from and secured by ad
13 valorem taxes, assessments, impact fees, revenues, grants, gifts,
14 contracts, or leases or any combination of those sources of money.

15 (b) Bonds issued under this section may be liens on all or
16 part of the revenue derived from improvements authorized under
17 Section 8282.154, including installment payments of special
18 assessments or from any other source pledged to their payment.

19 (c) Sections 375.202-375.206, Local Government Code, apply
20 to bonds issued under this section. (Acts 69th Leg., R.S., Ch. 935,
21 Secs. 19(d), (e).)

22 Source Law

23 (d) For the payment of all or part of the costs
24 of an improvement project or services under Section
25 20A of this Act, the board may issue bonds in one or
26 more series payable from and secured by ad valorem
27 taxes, assessments, impact fees, revenues, grants,
28 gifts, contracts, or leases or any combination of
29 those funds. Bonds may be liens on all or part of the
30 revenue derived from improvements authorized under
31 Section 20A of this Act, including installment
32 payments of special assessments or from any other
33 source pledged to their payment.

34 (e) Sections 375.202 through 375.206, Local
35 Government Code, apply to bonds issued under
36 Subsection (d) of this section.

37 Revised Law

38 Sec. 8282.254. OBLIGATIONS. (a) In this section,
39 "obligation" means a bond, note, lease-purchase agreement, or
40 installment sale obligation of the district.

41 (b) The principal amount of the district's obligations that

1 are payable from assessments imposed by the district may be in an
2 amount that does not exceed the aggregate appraised value of the
3 property in the district, as established by an independent
4 appraisal by a member of the Appraisal Institute.

5 (c) The appraised value of the property in the district
6 established for ad valorem tax purposes does not limit the
7 principal amount of the obligations that may be issued by the
8 district under Subsection (b).

9 (d) The city is not required to pay the principal of and
10 interest on an obligation issued by the district. (Acts 69th Leg.,
11 R.S., Ch. 935, Sec. 19A.)

12 Source Law

13 Sec. 19A. (a) The principal amount of the
14 district's obligations that are payable from
15 assessments imposed by the district may be in an amount
16 that does not exceed the aggregate appraised value of
17 the property in the district, as established by an
18 independent appraisal by a member of the Appraisal
19 Institute.

20 (b) The appraised value of the property in the
21 district established for ad valorem tax purposes may
22 not be considered a limitation on the principal amount
23 of the obligations that may be issued by the district
24 under Subsection (a) of this section.

25 (c) The city is not required to pay the
26 principal of and interest on an obligation issued by
27 the district.

28 (d) In this section, "obligation" means a bond,
29 note, lease-purchase agreement, or installment sale
30 obligation of the district.

31 Revisor's Note
32 (End of Chapter)

33 Section 28, Chapter 935, Acts of the 69th
34 Legislature, Regular Session, 1985, provides that the
35 requirements of Sections 59(d) and (e), Article XVI,
36 Texas Constitution (requiring public notice of the
37 enactment of the statute and compliance with the
38 general laws then in effect relating to consent by
39 political subdivisions to the creation of the district
40 and to the inclusion of land in the district), have
41 been accomplished. Section 7, Chapter 1213, Acts of
42 the 75th Legislature, Regular Session, 1997, contains
43 similar findings relating to the performance of the

1 requirements under the constitution in enacting that
2 chapter. The revised law omits those provisions as
3 executed. The omitted law reads:

4 [Acts 69th Leg., R.S., Ch. 935]

5 Sec. 28. The legislature
6 specifically finds and declares that the
7 requirements of Article XVI, Section 59(d)
8 and Section 59(e), of the Texas
9 Constitution, to the extent applicable,
10 have been met and accomplished in due
11 course, time, and order, that all persons
12 and officials required to be notified
13 pursuant thereto have been properly and
14 timely notified, that all approvals
15 required to be obtained pursuant thereto
16 have been obtained, and that the
17 legislature has the authority and power to
18 enact this Act.

19 [Acts 75th Leg., R.S., Ch. 1213]

20 Sec. 7. (a) The proper and legal
21 notice of the intention to introduce this
22 Act, setting forth the general substance of
23 this Act, has been published as provided by
24 law, and the notice and a copy of this Act
25 have been furnished to all persons,
26 agencies, officials, or entities to which
27 they are required to be furnished by the
28 constitution and other laws of this state,
29 including the governor, who has submitted
30 the notice and Act to the Texas Natural
31 Resource Conservation Commission.

32 (b) The Texas Natural Resource
33 Conservation Commission has filed its
34 recommendations relating to this Act with
35 the governor, lieutenant governor, and
36 speaker of the house of representatives
37 within the required time.

38 (c) All requirements of the
39 constitution and laws of this state and the
40 rules and procedures of the legislature
41 with respect to the notice, introduction,
42 and passage of this Act are fulfilled and
43 accomplished.

44 CHAPTER 8283. GREATER TEXOMA UTILITY AUTHORITY

45 SUBCHAPTER A. GENERAL PROVISIONS

46 Sec. 8283.001. DEFINITIONS 1768
47 Sec. 8283.002. NATURE OF AUTHORITY 1769
48 Sec. 8283.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE 1770

49 [Sections 8283.004-8283.050 reserved for expansion]

50 SUBCHAPTER B. AUTHORITY TERRITORY; ANNEXATION

51 Sec. 8283.051. AUTHORITY TERRITORY 1771
52 Sec. 8283.052. ANNEXATION 1772

53 [Sections 8283.053-8283.100 reserved for expansion]

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30		CHAPTER 8283. GREATER TEXOMA UTILITY AUTHORITY	
31		SUBCHAPTER A. GENERAL PROVISIONS	
32		<u>Revised Law</u>	
33	Sec. 8283.001.	DEFINITIONS. In this chapter:	
34	(1)	"Board" means the board of directors of the	

1 authority.

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

3 (3) "Authority" means the Greater Texoma Utility
4 Authority. (Acts 66th Leg., R.S., Ch. 97, Sec. 1 (part); New.)

5 Source Law

6 Sec. 1. . . . [a . . . district] . . . to be
7 known as Greater Texoma Utility Authority, hereinafter
8 called the "district,"

9 Revisor's Note

10 (1) The definitions of "board" and "director"
11 are added to the revised law for drafting convenience
12 and to eliminate frequent, unnecessary repetition of
13 the substance of the definitions.

14 (2) For the convenience of the reader,
15 throughout this chapter the revised law uses the term
16 "authority" and not "district" to reflect the name of
17 the Greater Texoma Utility Authority.

18 Revised Law

19 Sec. 8283.002. NATURE OF AUTHORITY. (a) The authority is a
20 conservation and reclamation district created under Section 59,
21 Article XVI, Texas Constitution.

22 (b) The authority is a political subdivision of this state.
23 (Acts 66th Leg., R.S., Ch. 97, Sec. 1 (part).)

24 Source Law

25 Sec. 1. Under the provisions of Article XVI,
26 Section 59, of the Texas Constitution, a conservation
27 and reclamation district is created in Grayson County,
28 Texas, . . . which shall be a governmental agency, a
29 political subdivision of the state, and a body politic
30 and corporate. . . .

31 Revisor's Note

32 (1) Section 1, Chapter 97, Acts of the 66th
33 Legislature, Regular Session, 1979, provides that the
34 authority was created "in Grayson County." The
35 revised law omits the quoted language because it was
36 included in the law being revised only as a convenience
37 to the reader. At the time of its creation, the
38 authority was composed of the territory included in

1 the corporate boundaries of the cities of Denison and
2 Sherman, and those cities are located in Grayson
3 County. See Section 2(a), Chapter 97, Acts of the 66th
4 Legislature, Regular Session, 1979, revised as Section
5 8283.051 of this chapter, and Revisor's Note (2) to
6 that section, which references the power to change the
7 authority's territory.

8 (2) Section 1, Chapter 97, Acts of the 66th
9 Legislature, Regular Session, 1979, refers to the
10 authority as "a governmental agency" and "a body
11 politic and corporate." The revised law omits those
12 references because they duplicate a portion of Section
13 59(b), Article XVI, Texas Constitution, which provides
14 that a conservation and reclamation district is a
15 governmental agency and a body politic and corporate.

16 Revised Law

17 Sec. 8283.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
18 The authority is created to serve a public use and benefit.

19 (b) All land and other property included in the boundaries
20 of the authority will benefit from the works and projects
21 accomplished by the authority under the powers conferred by Section
22 59, Article XVI, Texas Constitution.

23 (c) The creation of the authority is essential to accomplish
24 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
25 66th Leg., R.S., Ch. 97, Secs. 1 (part), 2(f).)

26 Source Law

27 Sec. 1. . . . The creation of the district is
28 declared to be essential to the accomplishment of the
29 purposes of Article XVI, Section 59, of the Texas
30 Constitution.

31 [Sec. 2]

32 (f) It is determined and found that all of the
33 land and other property included within the area and
34 boundaries of the district on creation and later
35 annexed in accordance with this Act will be benefited
36 by the works and projects that are to be accomplished
37 by the district pursuant to the powers conferred by the
38 provisions of Article XVI, Section 59, of the Texas
39 Constitution, and that the district is created to
40 serve a public use and benefit.

1 Revisor's Note

2 (1) Section 2(f), Chapter 97, Acts of the 66th
3 Legislature, Regular Session, 1979, refers to land and
4 other property included in the "area and boundaries of
5 the district." The revised law omits the reference to
6 "area" because, in context, "area" is included in the
7 meaning of "boundaries."

8 (2) Section 2(f), Chapter 97, Acts of the 66th
9 Legislature, Regular Session, 1979, refers to land and
10 other property included in the authority "on creation
11 and later annexed in accordance with this Act." The
12 revised law omits the quoted language as unnecessary.
13 The effect of the quoted language is to describe all
14 land and other property included in the authority's
15 boundaries at any given time, regardless of whether
16 the land or other property was included in the
17 authority's initial boundaries at the time the
18 authority was created. The revised law is sufficient
19 to achieve that result.

20 [Sections 8283.004-8283.050 reserved for expansion]

21 SUBCHAPTER B. AUTHORITY TERRITORY; ANNEXATION

22 Revised Law

23 Sec. 8283.051. AUTHORITY TERRITORY. The authority is
24 composed of the territory that was included in the corporate
25 boundaries of the cities of Denison and Sherman on May 2, 1979, as
26 that territory may have been modified under:

27 (1) Section 2 or 4, Chapter 97, Acts of the 66th
28 Legislature, Regular Session, 1979;

29 (2) Subchapter H, Chapter 54, Water Code;

30 (3) Subchapter J, Chapter 49, Water Code; or

31 (4) other law. (Acts 66th Leg., R.S., Ch. 97, Sec.
32 2(a); New.)

33 Source Law

34 Sec. 2. (a) Initially, the district shall
35 comprise all of the territory that is contained within

1 the corporate boundaries of the cities of Denison and
2 Sherman, Texas, on the effective date of this Act.

3 Revisor's Note

4 (1) Section 2(a), Chapter 97, Acts of the 66th
5 Legislature, Regular Session, 1979, refers to the
6 corporate boundaries of the cities of Denison and
7 Sherman "on the effective date of this Act." Chapter
8 97 took effect on May 2, 1979, and the revised law is
9 drafted accordingly.

10 (2) For the reader's convenience, the revised
11 law adds a reference to the power to change the
12 authority's territory, including: (1) Subchapter H,
13 Chapter 54, Water Code, applicable to the authority
14 under Section 54.001 of that chapter; (2) Subchapter
15 J, Chapter 49, Water Code, applicable to the authority
16 under Sections 49.001 and 49.002 of that chapter; and
17 (3) Section 2 or 4, Chapter 97, Acts of the 66th
18 Legislature, Regular Session, 1979. The revised law
19 also includes a reference to the general authority of
20 the legislature to enact other laws to change the
21 authority's territory.

22 Revised Law

23 Sec. 8283.052. ANNEXATION. (a) The authority may annex
24 territory only as specified by this section.

25 (b) A municipality, by resolution or ordinance adopted by
26 its governing body, may request that the territory then included in
27 its corporate limits be annexed to the authority. On receipt of the
28 request, the board shall proceed in the manner provided by
29 Subsections (d) and (e).

30 (c) Territory that is annexed to a municipality after May 2,
31 1979, or after annexation of the municipality to the authority may
32 be annexed to the authority if the board determines the annexation
33 should be considered and proceeds in the manner provided by
34 Subsections (d) and (e).

35 (d) Under the circumstances described by this section, the

1 board shall call and hold a public hearing to determine if the
2 territory should be annexed. Notice of the hearing must be
3 published at least:

4 (1) once in a newspaper of general circulation in the
5 area of the authority and the territory proposed to be annexed; and

6 (2) 10 days before the date set for the hearing.

7 (e) If at the conclusion of the hearing the board finds that
8 the annexation would be in the best interest of the territory to be
9 annexed, the area in the authority, and the inhabitants of both, it
10 shall enter an order to that effect. The order finally annexes the
11 territory to the authority.

12 (f) An action to review the annexation of territory to the
13 authority may be brought in a district court in the county where the
14 principal office of the authority is located. An annexation may be
15 set aside for fraud or abuse of discretion. (Acts 66th Leg., R.S.,
16 Ch. 97, Secs. 2(b), (c), (d), (e).)

17 Source Law

18 (b) An incorporated city, town, or village, by
19 resolution or ordinance adopted by its governing body,
20 may request that all of the territory then included
21 within its corporate limits be annexed to and become a
22 part of the district. On the receipt of this request,
23 the board shall proceed in the manner provided by
24 Subsection (d) of this section.

25 (c) An area that is annexed to an incorporated
26 city, town, or village, after the effective date of
27 this Act or after annexation of a city, town, or
28 village to the district, may be annexed to the district
29 if the board of directors determines the annexation
30 should be considered and proceeds in the manner
31 provided by Subsection (d) of this section.

32 (d) Under the circumstances described in this
33 section, the board shall call and hold a public hearing
34 to determine if territory should be annexed. Notice of
35 the hearing shall be published at least once in a
36 newspaper of general circulation in the area of the
37 district and the area proposed to be annexed, such
38 publication to be at least 10 days before the date set
39 for the hearing. If the board finds that the
40 annexation would be in the best interest of the area to
41 be annexed and the area within the district and the
42 inhabitants of both areas, it shall enter an order to
43 that effect. The order of the board entered at the
44 conclusion of the public hearing shall also finally
45 annex the territory to the district. Action to review
46 the annexation of territory to the district may be
47 brought in a district court in the county where the
48 principal office of the district is located, and an
49 annexation may be set aside for fraud or abuse of
50 discretion. Sections 54.721 and 54.727 of the Water
51 Code are applicable to all annexations.

1 (e) Territory may be annexed to the district
2 only as specified in this section.

3 Revisor's Note

4 (1) Sections 2(b) and (c), Chapter 97, Acts of
5 the 66th Legislature, Regular Session, 1979, refer to
6 an "incorporated city, town, or village." Throughout
7 this chapter, the revised law substitutes
8 "municipality" for "city," "town," or "village"
9 because the meaning of "municipality" includes cities,
10 towns, and villages and because that is the term used
11 in the Local Government Code. The revised law omits
12 "incorporated" because under the Local Government Code
13 all municipalities must be incorporated.

14 (2) Section 2(d), Chapter 97, Acts of the 66th
15 Legislature, Regular Session, 1979, provides that
16 "Sections 54.721 and 54.727 of the Water Code are
17 applicable to all annexations." The revised law omits
18 the reference to those sections because they were
19 repealed by Chapter 715, Acts of the 74th Legislature,
20 Regular Session, 1995.

21 Revisor's Note
22 (End of Subchapter)

23 Section 4(a), Chapter 97, Acts of the 66th
24 Legislature, Regular Session, 1979, provides that, to
25 exclude land or other property, the authority shall
26 use the procedures prescribed in Sections 54.701
27 through 54.710, Water Code. The revised law omits that
28 provision as unnecessary. Chapter 715, Acts of the
29 74th Legislature, Regular Session, 1995, repealed
30 those provisions and enacted Subchapter J, Chapter 49,
31 Water Code, to govern the exclusion of land from a
32 municipal utility district and certain other
33 districts. An express reference to Subchapter J,
34 Chapter 49, Water Code, is unnecessary because that
35 subchapter and the other provisions of Chapter 49
36 apply to the authority under Sections 49.001 and

1 49.002 of that chapter. Throughout this chapter, the
2 revised law omits law that is superseded by Chapter 49,
3 Water Code, or that duplicates law contained in that
4 chapter. The omitted law reads:

5 Sec. 4. (a) With respect to the
6 exclusion of land or other property, the
7 district shall follow the procedures
8 prescribed in Sections 54.701 through
9 54.710 of the Water Code where
10 applicable. . . .

11 [Sections 8283.053-8283.100 reserved for expansion]

12 SUBCHAPTER C. BOARD OF DIRECTORS

13 Revised Law

14 Sec. 8283.101. COMPOSITION OF BOARD; TERMS. (a) The board
15 consists of at least six and not more than nine directors appointed
16 as follows:

17 (1) three directors appointed by the governing body of
18 the City of Denison;

19 (2) three directors appointed by the governing body of
20 the City of Sherman; and

21 (3) any directors appointed under Sections 8283.102
22 and 8283.103.

23 (b) Except for a director appointed under Section 8283.103,
24 a director serves a two-year term that begins January 1 following
25 the director's appointment.

26 (c) A director's term may not be shortened because of the
27 annexation of a municipality under Section 8283.102 or 8283.103.

28 (d) The City of Denison or the City of Sherman by ordinance
29 may provide for staggered terms for directors it appoints, but the
30 term of an incumbent may not be shortened or be longer than two
31 years. (Acts 66th Leg., R.S., Ch. 97, Secs. 6(a) (part), (d), (f)
32 (part).)

33 Source Law

34 (a) . . . Each city may, by ordinance, provide
35 for terms of office of the directors it appoints to be
36 on a staggered term basis, but in no event shall the
37 term of an incumbent be shortened or be for a period of
38 more than two years.

39 (d) The maximum number of directors of the

1 district shall be nine, of which number three shall
2 always be appointed by each of the cities of Denison
3 and Sherman. No director appointed shall have his or
4 her term shortened by reason of any annexation of a
5 city under Subsection (b) or (c) of this section.

6 (f) The term of office of all directors shall
7 begin on January 1 following their appointment, and
8 Except for directors appointed under
9 Subsection (c) of this section and the initial
10 directors appointed under the provisions of Subsection
11 (a) of this section, directors shall serve for a period
12 of two years and until their successors have
13 qualified. . . .

14 Revisor's Note

15 (1) Section 6(a), Chapter 97, Acts of the 66th
16 Legislature, Regular Session, 1979, provides for the
17 appointment of initial directors. The revised law
18 omits the provision as executed. The omitted law
19 reads:

20 Sec. 6. (a) Following the effective
21 date of this Act, the governing body of the
22 city of Denison shall appoint three
23 directors to Places 1, 2, and 3, and the
24 governing body of the city of Sherman shall
25 appoint three directors to Places 4, 5, and
26 6, and the number of directors subject to
27 appointment by each of such cities shall be
28 the same. . . .

29 (2) Section 6(f), Chapter 97, Acts of the 66th
30 Legislature, Regular Session, 1979, provides an
31 exception to the normal term of office for "the initial
32 directors appointed under the provisions of Subsection
33 (a) of this section." The revised law omits the quoted
34 language as executed.

35 (3) Section 6(f), Chapter 97, Acts of the 66th
36 Legislature, Regular Session, 1979, provides that
37 directors shall serve "until their successors have
38 qualified." The revised law omits the quoted language
39 because Section 17, Article XVI, Texas Constitution,
40 requires an officer in this state to continue to
41 perform the officer's official duties until a
42 successor has qualified.

43 Revised Law

44 Sec. 8283.102. APPOINTMENT OF DIRECTORS BY HOME-RULE

1 MUNICIPALITIES. (a) If a home-rule municipality is annexed, the
2 governing body of the municipality shall appoint a director whose
3 term begins January 1 following the annexation.

4 (b) If more than two home-rule municipalities are annexed,
5 those municipalities are collectively entitled to appoint two
6 directors and shall designate their directors by any method agreed
7 to by those municipalities. (Acts 66th Leg., R.S., Ch. 97, Sec.
8 6(b).)

9 Source Law

10 (b) In the event a home-rule city is annexed,
11 the governing body of such annexed city shall appoint a
12 director whose term shall commence on January 1 next
13 following the annexation provided that in the event
14 more than two home-rule cities are annexed, then such
15 cities shall collectively be entitled to the
16 appointment of two directors and those home-rule
17 cities shall designate their representatives by any
18 method agreeable to them.

19 Revised Law

20 Sec. 8283.103. APPOINTMENT OF DIRECTORS BY MUNICIPALITIES
21 OTHER THAN HOME-RULE MUNICIPALITIES. Municipalities, other than
22 home-rule municipalities, are collectively entitled to appoint one
23 director and shall designate their director by any method agreed to
24 by those municipalities. (Acts 66th Leg., R.S., Ch. 97, Sec. 6(c).)

25 Source Law

26 (c) Incorporated cities, towns, or villages,
27 other than a home-rule city, shall collectively be
28 entitled to the appointment of one director and those
29 cities, towns, or villages, shall designate their
30 representative by any method agreeable to them.

31 Revised Law

32 Sec. 8283.104. QUALIFICATIONS FOR OFFICE. (a) Each
33 director must be a qualified voter of the municipality that
34 appoints the director.

35 (b) An officer, employee, or member of the governing body of
36 a municipal corporation may not be a director. (Acts 66th Leg.,
37 R.S., Ch. 97, Secs. 6(f) (part), (h).)

38 Source Law

39 (f) . . . each director shall be a qualified
40 elector of the city that appoints him or her. . . .

41 (h) A person may not be a director if he or she

1 is an officer, employee, or member of the governing
2 body of a municipal corporation.

3 Revisor's Note

4 Section 6(f), Chapter 97, Acts of the 66th
5 Legislature, Regular Session, 1979, provides that an
6 authority director must be a "qualified elector" of
7 the city that appoints the director. The revised law
8 substitutes "voter" for "elector" because "voter" is
9 the term used in the Election Code.

10 Revised Law

11 Sec. 8283.105. BOARD VACANCY. A vacancy in the office of
12 director shall be filled for the unexpired term, if applicable, by
13 the governing body of the municipality that appointed the previous
14 director. (Acts 66th Leg., R.S., Ch. 97, Sec. 6(f) (part).)

15 Source Law

16 (f) . . . Vacancies in the office of director
17 shall be filled for the unexpired term, if applicable,
18 by the governing body of the city that appointed the
19 previous director.

20 Revised Law

21 Sec. 8283.106. REMOVAL FROM OFFICE. (a) Under procedures
22 adopted by board rule, the board may remove a director from office
23 only for malfeasance in office.

24 (b) The procedures must be designed to guarantee due process
25 to the director. (Acts 66th Leg., R.S., Ch. 97, Sec. 6(i).)

26 Source Law

27 (i) A director may be removed by the board of
28 directors of the district only on the grounds of
29 malfeasance in office. A director shall be removed
30 under procedures adopted by the board in its rules, and
31 the procedures adopted by the board for removal of a
32 director shall be designed to guarantee due process to
33 the director.

34 Revised Law

35 Sec. 8283.107. VOTING REQUIREMENT. A majority vote of the
36 board is required to adopt any measure. (Acts 66th Leg., R.S., Ch.
37 97, Sec. 6(g).)

38 Source Law

39 (g) A majority vote of the members of the board
40 of directors shall be required for the adoption of any
41 measure.

1 Revisor's Note
2 (End of Subchapter)

3 (1) Section 6(e), Chapter 97, Acts of the 66th
4 Legislature, Regular Session, 1979, requires that a
5 director execute a \$10,000 performance bond payable to
6 the authority and that the bond be approved by the
7 board of directors. The revised law omits the bond
8 provision because it duplicates, in substance, part of
9 Section 49.055, Water Code. The omitted law reads:

10 (e) As soon as practicable after a
11 director is elected or appointed he shall
12 execute a bond for \$10,000 payable to the
13 district and conditioned on the faithful
14 performance of his duties. All bonds of the
15 directors shall be approved by the
16 board. . . .

17 (2) Section 6(e), Chapter 97, Acts of the 66th
18 Legislature, Regular Session, 1979, requires each
19 director to take the constitutional oath of office.
20 The revised law omits that provision because it
21 duplicates, in substance, Section 1, Article XVI,
22 Texas Constitution. The omitted law reads:

23 (e) . . . Each director shall take
24 the oath of office prescribed by the
25 constitution for public officers. . . .

26 (3) Section 6(e), Chapter 97, Acts of the 66th
27 Legislature, Regular Session, 1979, requires that a
28 director's bond and oath be filed with the authority
29 and retained in the authority's records. The revised
30 law omits that provision because it duplicates part of
31 Section 49.055(d), Water Code. The omitted law reads:

32 (e) . . . The bond and oath shall be
33 filed with the district and retained in its
34 records.

35 [Sections 8283.108-8283.150 reserved for expansion]

36 SUBCHAPTER D. POWERS AND DUTIES

37 Revised Law

38 Sec. 8283.151. MUNICIPAL UTILITY DISTRICT POWERS. Except
39 as otherwise provided by this chapter, the authority has the
40 rights, powers, privileges, and functions conferred and imposed by

1 the general law applicable to a municipal utility district created
2 under Section 59, Article XVI, Texas Constitution, including those
3 conferred by Chapters 30, 49, and 54, Water Code. (Acts 66th Leg.,
4 R.S., Ch. 97, Sec. 3(a) (part); New.)

5 Source Law

6 Sec. 3. (a) Except as otherwise provided in
7 this Act, the district shall have and may exercise all
8 the rights, powers, privileges, authority, and
9 functions conferred and imposed by the general laws of
10 this state applicable to municipal utility districts
11 created under Article XVI, Section 59, of the Texas
12 Constitution, including without limitation those
13 conferred by Chapter 54, Water Code, as amended, and
14 all of the powers conferred by Chapter 30 of the Water
15 Code. . . .

16 Revisor's Note

17 (1) Section 3(a), Chapter 97, Acts of the 66th
18 Legislature, Regular Session, 1979, refers to "rights,
19 powers, privileges, [and] authority." The revised law
20 omits "authority" because, in context, "authority" is
21 included in the meaning of "rights, powers, [and]
22 privileges."

23 (2) Section 3(a), Chapter 97, Acts of the 66th
24 Legislature, Regular Session, 1979, grants the
25 authority certain powers, including "without
26 limitation" those conferred by Chapter 54, Water Code,
27 "as amended," and Chapter 30 of the Water Code. The
28 revised law omits "without limitation" because Section
29 311.005(13), Government Code (Code Construction Act),
30 provides that "includes" and "including" are terms of
31 enlargement and not limitation and do not create a
32 presumption that components not expressed are
33 excluded.

34 In addition, the revised law omits the reference
35 to "as amended" because under Section 311.027,
36 Government Code (Code Construction Act), a reference
37 to a statute applies to all reenactments, revisions,
38 or amendments of that statute unless expressly
39 provided otherwise.

1 (Code Construction Act), which construes "may."

2 (2) Section 3(b)(1), Chapter 97, Acts of the
3 66th Legislature, Regular Session, 1979, refers to
4 actions the authority's board finds "necessary or
5 required" to carry out its authority. The revised law
6 omits "required" because, in context, it is included
7 in the meaning of "necessary."

8 Revised Law

9 Sec. 8283.153. WATER RIGHTS. The authority may acquire,
10 develop, and use rights to groundwater or surface water. (Acts 66th
11 Leg., R.S., Ch. 97, Sec. 3(b) (part).)

12 Source Law

13 (b) [The district has . . . :]
14 . . .
15 (3) the authority to acquire, develop, and
16 utilize underground or surface water rights;
17 . . .

18 Revisor's Note

19 Section 3(b)(3), Chapter 97, Acts of the 66th
20 Legislature, Regular Session, 1979, refers to
21 "underground . . . water" rights. The revised law
22 substitutes "groundwater" for "underground water"
23 because that is the more commonly used term and is the
24 term used by Chapter 36, Water Code, which applies to
25 groundwater conservation districts (another type of
26 conservation and reclamation district).

27 Revised Law

28 Sec. 8283.154. EMINENT DOMAIN. To carry out an authority
29 power or purpose, the authority, in the manner provided by Chapter
30 49, Water Code, may exercise the power of eminent domain to acquire
31 land, an easement, or other property inside or outside the
32 authority's boundaries. (Acts 66th Leg., R.S., Ch. 97, Sec. 3(b)
33 (part).)

34 Source Law

35 (b) . . .
36 . . .
37 (6) the district may acquire land,
38 easements, or other property within or without its

1 boundaries for the accomplishment of its powers and
2 purposes through the exercise of eminent domain in the
3 manner prescribed by Sections 54.212(b) and (c) and
4 Section 54.213 of the Water Code;

5 . . .

6 Revisor's Note

7 Section 3(b)(6), Chapter 97, Acts of the 66th
8 Legislature, Regular Session, 1979, refers to the
9 authority's eminent domain power under Sections
10 54.212(b) and (c) and 54.213, Water Code. Those
11 sections were repealed by Chapter 715, Acts of the 74th
12 Legislature, Regular Session, 1995, which enacted
13 similar provisions in Chapter 49, Water Code, to
14 govern the exercise of eminent domain power by certain
15 districts, including the authority. The revised law
16 is drafted accordingly.

17 Revised Law

18 Sec. 8283.155. GENERAL CONTRACT POWERS. (a) The authority
19 may enter into a contract with a person, including a political
20 subdivision, on terms the board considers desirable, fair, and
21 advantageous for:

22 (1) the purchase or sale of raw or treated water;

23 (2) the purchase, lease, use, management, control, or
24 operation of water treatment or distribution facilities or sewer
25 collection and treatment facilities, all or part of the facilities
26 or systems owned by the other political subdivision, in accordance
27 with terms mutually agreed on by the governing bodies of the
28 contracting parties; or

29 (3) planning, making preliminary surveys,
30 investigations, or feasibility reports, engineering, or reports of
31 any kind.

32 (b) A contract for the acquisition of an existing water or
33 sewer facility may be made on terms approved by the contracting
34 parties. (Acts 66th Leg., R.S., Ch. 97, Sec. 3(b) (part).)

35 Source Law

36 (b) [The district has . . . :]

37 . . .

38 (2) the authority to enter into contracts

1 with persons, public or private corporations,
2 municipal corporations, political subdivisions,
3 agencies, departments, or instrumentalities of the
4 state or federal government, or others, on terms and
5 conditions the board of directors deem desirable,
6 fair, and advantageous:

7 (A) for the purchase or sale or both
8 of raw or treated water;

9
10 (C) for the purchase, lease, use,
11 management, control, or operation of water treatment
12 or distribution as well as sewer collection and
13 treatment facilities, all or part of the facilities or
14 systems owned by such other political subdivisions, in
15 accordance with terms and conditions as are mutually
16 agreed upon by the governing bodies of the contracting
17 parties;

18 (D) for the purposes of planning,
19 making preliminary surveys, investigations, or
20 feasibility reports, engineering, and reports of any
21 kind or character;

22
23 (5) . . . both contracts for the
24 acquisition of an existing water or sewer facility may
25 be made on terms approved by the contracting parties;
26 . . .

27 Revisor's Note

28 (1) Section 3(b)(2), Chapter 97, Acts of the
29 66th Legislature, Regular Session, 1979, refers to the
30 power of the authority to enter into contracts with
31 persons, "public or private corporations, municipal
32 corporations, political subdivisions, agencies,
33 departments, or instrumentalities of the state or
34 federal government, or others." The revised law omits
35 the quoted language other than the reference to
36 "political subdivisions" because under Section
37 311.005(2), Government Code (Code Construction Act),
38 "person" is defined to include any legal entity.
39 Although the term "person" also includes a legal
40 entity such as a political subdivision, the revised
41 law retains the reference to "political subdivision"
42 to clarify a secondary reference to "such other
43 political subdivisions" that occurs subsequently in
44 the subsection without a corresponding reference to
45 "person."

46 (2) Section 3(b)(2), Chapter 97, Acts of the
47 66th Legislature, Regular Session, 1979, provides that

1 the authority may enter into a contract on certain
2 "terms and conditions." The revised law omits the
3 references to "conditions" because "conditions" is
4 included in the meaning of "terms."

5 (3) Section 3(b)(2)(B), Chapter 97, Acts of the
6 66th Legislature, Regular Session, 1979, provides that
7 the authority may contract for the transportation,
8 treatment, and disposal of certain wastes of the
9 authority and others, including for the purposes of
10 Chapter 30, Water Code. The revised law omits that
11 provision because it duplicates, in substance, Section
12 49.213(c)(2), Water Code. The revised law omits the
13 reference to Chapter 30, Water Code, because that
14 reference duplicates an earlier express reference
15 under Section 3(a) of Chapter 97 (revised in this
16 chapter as part of Section 8283.151) to the authority's
17 powers under Chapter 30, Water Code. The omitted law
18 reads:

19 (b) [The district has . . . :
20 . . .
21 (2) the authority to enter into
22 contracts . . . :]
23 . . .
24 (B) for the
25 transportation, treatment, and disposal of
26 its domestic, industrial, or communal
27 wastes or the transportation, treatment,
28 and disposal of domestic, industrial, or
29 communal wastes of others, to include the
30 purposes of Chapter 30, Water Code, the
31 provisions of which are expressly made
32 applicable to the district;
33 . . .

34 (4) Section 3(b)(2)(D), Chapter 97, Acts of the
35 66th Legislature, Regular Session, 1979, provides that
36 the authority may contract for reports of any "kind or
37 character." The revised law omits "character"
38 because, in context, "character" is included in the
39 meaning of "kind."

40 (5) Section 3(b)(5), Chapter 97, Acts of the
41 66th Legislature, Regular Session, 1979, permits the

1 authority to acquire, improve, extend, or construct
2 certain systems. The revised law omits that provision
3 because it duplicates, in substance, Section
4 54.201(b), Water Code, which applies to the authority
5 under Section 54.001 of that chapter. The omitted law
6 reads:

7 (b) [The district has . . . :]

8 . . .
9 (5) the specific authority to
10 acquire existing water or sewer systems or
11 both, and to improve and extend those
12 systems or to construct water or sewer
13 systems or both. . . .

14 (6) Section 3(b)(5), Chapter 97, Acts of the
15 66th Legislature, Regular Session, 1979, states that
16 authority construction contracts are subject to
17 competitive bids. The revised law omits that
18 provision because Subchapter I, Chapter 49, Water
19 Code, contains the competitive bidding requirements
20 that apply to municipal utility districts. That
21 subchapter applies to the authority under Sections
22 49.001 and 49.002, Water Code. The omitted law reads:

23 (b) . . .

24 . . .
25 (5) . . . Construction
26 contracts shall be subject to competitive
27 bids,

28 Revised Law

29 Sec. 8283.156. WATER, SEWER, SOLID WASTE, OR DRAINAGE
30 CONTRACTS; ELECTION NOT REQUIRED. The authority and a municipal
31 corporation or other political subdivision may enter into a water,
32 sewer, solid waste, or drainage contract or any combination of
33 those contracts without the necessity of an election by any
34 contracting party to approve the contract. (Acts 66th Leg., R.S.,
35 Ch. 97, Sec. 3(c).)

36 Source Law

37 (c) No election shall be required in the
38 district or in any municipal corporations or other
39 political subdivisions for approval of water, sewer,
40 solid waste, or drainage contracts or any combination
41 of those contracts, but the contracts may be entered
42 into without the necessity of an election by any

1 contracting party.

2 Revised Law

3 Sec. 8283.157. TREATMENT OF PAYMENTS UNDER CERTAIN
4 MUNICIPAL CORPORATION CONTRACTS. A payment by a municipal
5 corporation for the purchase of water or the treatment and disposal
6 of sewage is a maintenance and operating expense of the utility
7 system or combined systems of the municipal corporation unless the
8 contract:

9 (1) provides for the municipal corporation to acquire
10 an ownership interest in the facilities; or

11 (2) makes other provisions. (Acts 66th Leg., R.S., Ch.
12 97, Sec. 3(d).)

13 Source Law

14 (d) Payments by a municipal corporation for the
15 purchase of water or the treatment and disposal of
16 sewage shall be a maintenance and operating expense of
17 the utility system or combined systems of the
18 municipal corporation unless the contract:

19 (1) provides for the municipal corporation
20 to acquire an ownership interest in the facilities; or

21 (2) makes other contractual provisions.

22 Revised Law

23 Sec. 8283.158. STANDARD SPECIFICATIONS FOR FACILITIES IN
24 GRAYSON COUNTY. (a) In this section, "commission" means the Texas
25 Commission on Environmental Quality or its successor.

26 (b) Subject to Subsection (f), for area in Grayson County,
27 the authority by order may adopt standard specifications for
28 facilities designed or constructed to:

29 (1) store, treat, or transport water for domestic,
30 municipal, or industrial purposes to ensure that the facilities are
31 adequate in design to serve the needs of the area's inhabitants;

32 (2) collect, treat, and dispose of sewage; or

33 (3) dispose of solid waste.

34 (c) Before the specifications become final, the board must
35 hold a public hearing. The board must give notice of the hearing to
36 the commission and must publish in a newspaper of general
37 circulation in the area notice of the hearing one time at least 10
38 days before the date of the hearing so that any interested party may

1 present evidence for or against a proposed specification.

2 (d) An appeal of an order adopting standard specifications
3 may be made to a district court of Grayson County. The substantial
4 evidence rule applies to the appeal.

5 (e) The authority is entitled to seek an injunction against:

6 (1) the construction of a facility, including an
7 extension to an existing facility, if the construction does not
8 meet the authority's standard specifications; or

9 (2) the operation of a facility if construction has
10 begun and the facility does not meet those specifications.

11 (f) A standard specification adopted under this section
12 does not apply to an area that, on the date the order is adopted, is
13 located inside the corporate boundaries or the extraterritorial
14 jurisdiction of a municipality unless approved by the governing
15 body of the municipality.

16 (g) The authority shall file the standard specifications
17 with the commission. (Acts 66th Leg., R.S., Ch. 97, Sec. 3(b)
18 (part); New.)

19 Source Law

20 (b) . . .

21 . . .

22 (7) as to area within Grayson County, the
23 district may establish standard specifications for
24 facilities that are designed or constructed to provide
25 (A) storage, treatment, or transportation of water for
26 domestic, municipal, or industrial purposes so as to
27 ensure that such facilities are adequate in design to
28 serve the needs of the inhabitants of the area, or (B)
29 the collection, treatment, and disposal of sewage, or
30 (C) for the disposal of solid wastes, any one or all,
31 but in no event shall such specifications be made
32 applicable to that area included at the time of
33 promulgation within the corporate or extraterritorial
34 boundaries of any incorporated municipality without
35 the approval of the governing body of such
36 municipality. Before the specifications become final,
37 the board shall hold a public hearing, after giving
38 notice to the Texas Department of Water Resources and
39 the Texas Department of Health or their successors,
40 and publication of notice in a newspaper of general
41 circulation in the area one time at least 10 days
42 before the date of the hearing in order that any
43 interested party may present evidence for or against
44 any proposed specifications. Appeal from an order
45 adopting standard specifications may be made to the
46 district court of Grayson County, and the substantial
47 evidence rule shall apply. The district shall be
48 entitled to seek injunctive relief against the
49 construction of any facilities, including extensions

1 to any existing facilities, or if construction has
2 commenced after the promulgation of the specifications
3 to seek injunctive relief against the operation of the
4 facilities that do not meet the standard
5 specifications it has approved. The standard
6 specifications, when approved, shall be filed with the
7 Texas Department of Water Resources.

8 Revisor's Note

9 (1) Section 3(b)(7), Chapter 97, Acts of the
10 66th Legislature, Regular Session, 1979, provides that
11 the authority "may establish" standard
12 specifications. The revised law substitutes "by order
13 may adopt" for "may establish" to conform to other
14 related language in Section 3(b)(7) referring to an
15 appeal from an "order adopting standard
16 specifications."

17 (2) Section 3(b)(7), Chapter 97, Acts of the
18 66th Legislature, Regular Session, 1979, requires the
19 authority to give the Texas Department of Water
20 Resources and the Texas Department of Health or their
21 successors notice of a hearing to adopt standard
22 specifications. The revised law substitutes for the
23 references to those agencies references to "the
24 commission," meaning the Texas Commission on
25 Environmental Quality, because the commission is the
26 successor agency with the relevant authority.

27 (3) Section 3(b)(7), Chapter 97, Acts of the
28 66th Legislature, Regular Session, 1979, provides that
29 the authority may seek to enjoin the operation of a
30 facility if construction of the facility has begun
31 "after the promulgation of the [standard]
32 specifications." The revised law omits the quoted
33 language as unnecessary because an order adopting
34 standard specifications may be enforced only after it
35 is adopted.

36 (4) The definition of "commission" is added to
37 the revised law for drafting convenience and to
38 eliminate unnecessary repetition of the substance of

1 the definition.

2 Revised Law

3 Sec. 8283.159. TAX PROHIBITION. The authority may not
4 impose a tax. (Acts 66th Leg., R.S., Ch. 97, Sec. 3(e).)

5 Source Law

6 (e) The district may not levy taxes.

7 Revisor's Note

8 Section 3(e), Chapter 97, Acts of the 66th
9 Legislature, Regular Session, 1979, prohibits the
10 "levy" of taxes. The revised law substitutes "impose"
11 for "levy" because "impose" is the term generally used
12 in Title 1, Tax Code, and includes the levy of a tax.

13 Revisor's Note

14 (End of Subchapter)

15 Section 3(b)(4), Chapter 97, Acts of the 66th
16 Legislature, Regular Session, 1979, provides that the
17 authority may perform a right or power granted under
18 Chapter 97 or general law. The revised law omits that
19 provision because a right or power granted under this
20 chapter or general law applies on its own terms. The
21 omitted law reads:

22 (b) [The district has the following
23 rights, powers . . . :]

24 . . .
25 (4) the performance of any of
26 the rights or powers granted in this Act and
27 the general laws;
28 . . .

29 [Sections 8283.160-8283.200 reserved for expansion]

30 SUBCHAPTER E. BONDS

31 Revised Law

32 Sec. 8283.201. REVENUE BONDS. The authority may issue
33 revenue bonds to carry out any of its powers, functions, or
34 obligations. (Acts 66th Leg., R.S., Ch. 97, Sec. 5 (part).)

35 Source Law

36 Sec. 5. The district may issue revenue bonds for
37 the purpose of carrying out any of its powers,
38 functions, and obligations, and

1 Revisor's Note

2 Section 5, Chapter 97, Acts of the 66th
3 Legislature, Regular Session, 1979, provides that the
4 authority may pledge authority revenue to the payment
5 of revenue bonds issued by the authority. The revised
6 law omits the provision because it duplicates, in
7 substance, Section 54.503, Water Code, which applies
8 to the authority under Section 54.001 of that chapter.
9 The omitted law reads:

10 Sec. 5. [The district] . . . may
11 pledge all or any part of the revenues of
12 the district to the payment thereof. . . .

13 Revised Law

14 Sec. 8283.202. BONDS FOR CERTAIN FACILITIES. If the
15 authority operates a facility under contract with a municipal
16 corporation, it may, if the contract permits the issuance, issue
17 bonds to improve or extend the facility. (Acts 66th Leg., R.S., Ch.
18 97, Sec. 5 (part).)

19 Source Law

20 Sec. 5. . . . In the event the district is
21 operating facilities under contract with a municipal
22 corporation, it may, if permitted by the contract,
23 issue bonds to improve or extend such facilities.

24 Revisor's Note
25 (End of Chapter)

26 (1) Section 3(a), Chapter 97, Acts of the 66th
27 Legislature, Regular Session, 1979, provides that any
28 general law relating to municipal utility districts is
29 adopted and incorporated by reference. The revised
30 law omits that provision because it is not necessary to
31 duplicate by means of adoption and incorporation the
32 substance of general laws applicable to the authority.
33 The omitted law reads:

34 (a) . . . All these general laws are
35 adopted and incorporated by reference with
36 the same effect as if incorporated in full
37 by this Act, but

38 (2) Section 3(a), Chapter 97, Acts of the 66th
39 Legislature, Regular Session, 1979, provides that

1 Chapter 97 prevails over any general law in conflict or
2 inconsistent with that chapter. The revised law omits
3 that provision because it duplicates, in substance,
4 Section 311.026(b), Government Code (Code
5 Construction Act). The omitted law reads:

6 (a) . . . to the extent that the
7 provisions of any of those general laws may
8 be in conflict or inconsistent with the
9 provisions of this Act, the provisions of
10 this Act prevail.

11 (3) Section 4(a), Chapter 97, Acts of the 66th
12 Legislature, Regular Session, 1979, requires an
13 election to confirm the creation of the authority and
14 provides procedures for the election. The revised law
15 omits that provision as executed. The omitted law
16 reads:

17 (a) . . . Prior to the issuance and
18 delivery of the initial series of bonds or
19 other obligations by the authority, it
20 shall be necessary for the board to call and
21 hold, after public notice, an election on
22 the question of whether the creation of the
23 district shall be confirmed. A majority
24 vote of the participating electors shall be
25 required for such confirmation and in the
26 event the creation of the district is not
27 confirmed at an election held within five
28 years from the effective date of this Act,
29 the district shall be abolished.

30 For this subsection, "notice" shall be
31 published once a week for two consecutive
32 weeks in a newspaper with general
33 circulation in the county or counties in
34 which the district is to be located. The
35 first publication of notice shall be at
36 least 14 days before the date set for the
37 election or hearing on exclusions. The
38 notice for election shall state the time,
39 date, and place or places for holding the
40 election and the proposition to be voted on.

41 (4) Section 4(b), Chapter 97, Acts of the 66th
42 Legislature, Regular Session, 1979, provides that the
43 authority may "be abolished in the manner provided by
44 Chapter 541, Acts of the 51st Legislature, 1949, as
45 amended (Article 1118n-5, Vernon's Texas Civil
46 Statutes)." Although Section 1, Chapter 227, Acts of
47 the 76th Legislature, Regular Session, 1999, codified
48 Article 1118n-5 in Subchapter E, Chapter 1502,

1 Government Code, Subchapter E, Chapter 1502,
2 Government Code, was subsequently repealed by Section
3 47, Chapter 1064, Acts of the 76th Legislature,
4 Regular Session, 1999. The revised law therefore
5 omits the reference to the manner of abolishing the
6 authority and also to the related power to abolish the
7 authority, as there is no procedure remaining to
8 govern such an action. The omitted law reads:

9 (b) The district may be abolished in
10 the manner provided by Chapter 541, Acts of
11 the 51st Legislature, 1949, as amended
12 (Article 1118n-5, Vernon's Texas Civil
13 Statutes), if its outstanding indebtedness
14 or obligations have been assumed as
15 provided in that law and the area of the
16 district is totally within the boundaries
17 of incorporated municipalities.

18 (5) Section 7, Chapter 97, Acts of the 66th
19 Legislature, Regular Session, 1979, contains
20 legislative findings relating to the performance of
21 certain requirements under Section 59(d), Article XVI,
22 Texas Constitution, and to the authority of the
23 legislature to enact Chapter 97. The revised law omits
24 that provision as executed. The omitted law reads:

25 Sec. 7. The legislature specifically
26 finds and declares that the requirements of
27 Article XVI, Section 59(d), of the Texas
28 Constitution have been performed and
29 accomplished in due course, time, and
30 order, and that the legislature has the
31 power and authority to enact this Act.

32 (6) Section 4, Chapter 398, Acts of the 68th
33 Legislature, Regular Session, 1983, amending Chapter
34 97, Acts of the 66th Legislature, Regular Session,
35 1979, provides that Chapter 398 does not apply to
36 actions previously taken by the authority and
37 validates certain actions previously taken by the
38 board. The revised law omits that provision as
39 executed. The omitted law reads:

40 Sec. 4. The amendments made by this
41 Act to Chapter 97, Acts of the 66th
42 Legislature, Regular Session, 1979, may not
43 be construed to impair the validity of

1 actions previously taken by the district.
2 Actions previously taken by the board
3 relating to the execution of contracts with
4 cities and counties and the issuance of
5 bonds are ratified, validated, and
6 confirmed; however, this section may not be
7 construed to validate bonds issued by the
8 district that have not been approved by the
9 attorney general before the effective date
10 of this Act.

11 (7) Section 5, Chapter 398, Acts of the 68th
12 Legislature, Regular Session, 1983, amending Chapter
13 97, Acts of the 66th Legislature, Regular Session,
14 1979, provides that Chapter 398 does not apply to
15 certain matters being litigated on the effective date
16 of Chapter 398. The revised law omits that provision
17 as executed. The omitted law reads:

18 Sec. 5. This Act does not apply to
19 any matter relating to the location and
20 siting of a sanitary landfill that on the
21 effective date of this Act is involved in
22 litigation or in a proceeding before a state
23 agency, regardless of the outcome of that
24 litigation or proceeding. The litigation
25 or proceeding is governed by Chapter 97,
26 Acts of the 66th Legislature, Regular
27 Session, 1979, as that law existed
28 immediately before the effective date of
29 this Act.

30 CHAPTER 8284. GREENWOOD UTILITY DISTRICT

31 SUBCHAPTER A. GENERAL PROVISIONS

32 Sec. 8284.001. DEFINITIONS 1795
33 Sec. 8284.002. NATURE OF DISTRICT 1796
34 Sec. 8284.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1797
35 Sec. 8284.004. DISTRICT TERRITORY 1798
36 Sec. 8284.005. EXPANSION OF DISTRICT 1800
37 Sec. 8284.006. STATE POLICY REGARDING WASTE DISPOSAL 1803

38 [Sections 8284.007-8284.050 reserved for expansion]

39 SUBCHAPTER B. DISTRICT ADMINISTRATION

40 Sec. 8284.051. COMPOSITION OF BOARD 1806
41 Sec. 8284.052. APPOINTMENT OF TREASURER 1807
42 Sec. 8284.053. DIRECTOR'S AND TREASURER'S BONDS 1807
43 Sec. 8284.054. ABSENCE OR INACTION OF BOARD PRESIDENT . . . 1809
44 Sec. 8284.055. DISTRICT OFFICE 1810

45 [Sections 8284.056-8284.100 reserved for expansion]

1	SUBCHAPTER C. POWERS AND DUTIES		
2	Sec. 8284.101.	MUNICIPAL UTILITY DISTRICT POWERS	1814
3	Sec. 8284.102.	ADDITIONAL POWERS	1817
4	Sec. 8284.103.	EMINENT DOMAIN	1819
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6	Sec. 8284.105.	NOTICE OF ELECTION	1820
7	[Sections 8284.106-8284.150 reserved for expansion]		
8	SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS		
9	Sec. 8284.151.	TAX METHOD	1821
10	Sec. 8284.152.	DISTRICT ACCOUNTS	1821
11	Sec. 8284.153.	FISCAL YEAR	1821
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13	Sec. 8284.155.	PAYMENT OF TAX OR ASSESSMENT NOT	
14		REQUIRED	1824
15	Sec. 8284.156.	DEPOSITORY	1824
16	[Sections 8284.157-8284.200 reserved for expansion]		
17	SUBCHAPTER E. BONDS		
18	Sec. 8284.201.	LOST OR MUTILATED BONDS	1825
19	Sec. 8284.202.	USE OF BOND PROCEEDS DURING	
20		CONSTRUCTION	1825
21	Sec. 8284.203.	REFUNDING BONDS	1826
22	CHAPTER 8284. GREENWOOD UTILITY DISTRICT		
23	SUBCHAPTER A. GENERAL PROVISIONS		
24	<u>Revised Law</u>		
25	Sec. 8284.001.	DEFINITIONS. In this chapter:	
26	(1)	"Board" means the board of directors of the	
27		district.	
28	(2)	"Director" means a member of the board.	
29	(3)	"District" means the Greenwood Utility District.	
30	(Acts 61st Leg., R.S., Ch. 616, Sec. 1 (part); New.)		
31	<u>Source Law</u>		
32	Sec. 1.	. . . [a . . . district . . .] to be	
33		known as "Greenwood Utility District" of Harris	
34		County, Texas, hereinafter called the "district,"	
35		

1 Revisor's Note

2 (1) Section 1, Chapter 616, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that the
4 district is "[a . . . district] . . . of Harris County,
5 Texas." The revised law omits the quoted language
6 because it was included in the law being revised only
7 as a convenience to the reader and duplicates language
8 in Section 2, Chapter 616, Acts of the 61st
9 Legislature, Regular Session, 1969, which is not
10 necessary to revise in this chapter. See Revisor's Note
11 (1) to Section 8284.004.

12 (2) The definitions of "board" and "director"
13 are added to the revised law for drafting convenience
14 and to eliminate frequent, unnecessary repetition of
15 the substance of the definitions.

16 Revised Law

17 Sec. 8284.002. NATURE OF DISTRICT. The district is a
18 municipal utility district and a conservation and reclamation
19 district in Harris County created under Section 59, Article XVI,
20 Texas Constitution. (Acts 61st Leg., R.S., Ch. 616, Sec. 1 (part);
21 New.)

22 Source Law

23 Sec. 1. Under and pursuant to the provisions of
24 Article XVI, Section 59, Constitution of Texas, a
25 conservation and reclamation district is hereby
26 created and established in Harris County, Texas, . . .
27 which shall be a governmental agency and a body politic
28 and corporate. . . .

29 Revisor's Note

30 (1) Section 1, Chapter 616, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that the
32 district is "created and established" in Harris
33 County, Texas. The revised law omits "established"
34 because the meaning of that word is included in the
35 meaning of "created."

36 (2) Section 1, Chapter 616, Acts of the 61st
37 Legislature, Regular Session, 1969, refers to the

1 district as "a governmental agency and a body politic
2 and corporate." The revised law omits those
3 references because they duplicate a portion of Section
4 59(b), Article XVI, Texas Constitution, which provides
5 that a conservation and reclamation district is a
6 governmental agency and a body politic and corporate.

7 (3) The revised law adds a reference to the
8 district as a "municipal utility district" because the
9 district was converted from a water control and
10 improvement district to a municipal utility district
11 on May 14, 1979, by order of the Texas Water
12 Commission. See Sections 54.030-54.036, Water Code.
13 Under both that order and Section 54.034, Water Code,
14 the district now operates under Chapter 54, Water
15 Code. Throughout this chapter, references to water
16 control and improvement districts and references to
17 Chapter 51, Water Code (the chapter on water control
18 and improvement districts), have been revised to
19 reflect the district's conversion. In addition, as
20 indicated throughout this chapter, the revised law
21 omits law that is superseded by Chapter 54, Water Code,
22 or that duplicates law contained in that chapter.

23 Revised Law

24 Sec. 8284.003. 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
28 accomplished by the district under the powers conferred by Section
29 59, Article XVI, Texas Constitution.

30 (c) The creation of the district is essential to accomplish
31 the purposes of Section 59, Article XVI, Texas Constitution.

32 (d) The accomplishment of the purposes stated in this
33 chapter is for the benefit of the people of this state and for the
34 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. (Acts 61st
3 Leg., R.S., Ch. 616, Secs. 1 (part), 4, 21 (part).)

4 Source Law

5 Sec. 1. . . . The creation and establishment of
6 the district is hereby declared to be essential to the
7 accomplishment of the purposes of Article XVI, Section
8 59, Constitution of Texas.

9 Sec. 4. It is determined and found that all of
10 the land and other property included within the
11 boundaries of the district will be benefited by the
12 works and project which are to be accomplished by the
13 district pursuant to the powers conferred by the
14 provisions of Article XVI, Section 59, Constitution of
15 Texas, and that said district was and is created to
16 serve a public use and benefit.

17 Sec. 21. The accomplishment of the purposes
18 stated in this Act being for the benefit of the people
19 of this state and for the improvement of their
20 properties and industries, the district in carrying
21 out the purposes of this Act will be performing an
22 essential public function under the Constitution, and
23

24 Revisor's Note

25 Section 1, Chapter 616, Acts of the 61st
26 Legislature, Regular Session, 1969, states that the
27 "creation and establishment" of the district is
28 essential to accomplish the purposes of Section 59,
29 Article XVI, Texas Constitution. The revised law
30 omits "establishment" because its meaning is included
31 in the meaning of "creation."

32 Revised Law

33 Sec. 8284.004. DISTRICT TERRITORY. (a) The district is
34 composed of the territory described by Section 2, Chapter 616, Acts
35 of the 61st Legislature, Regular Session, 1969, as that territory
36 may have been modified under:

37 (1) Subchapter H, Chapter 54, Water Code;

38 (2) Subchapter J, Chapter 49, Water Code;

39 (3) Section 9, Chapter 616, Acts of the 61st
40 Legislature, Regular Session, 1969; or

41 (4) other law.

42 (b) The boundaries and field notes of the district form a

1 closure. A mistake in copying the field notes in the legislative
2 process or another mistake in the field notes does not affect:

3 (1) the district's organization, existence, or
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 the
10 board. (Acts 61st Leg., R.S., Ch. 616, Sec. 3; New.)

11 Source Law

12 Sec. 3. It is determined and found that the
13 boundaries and field notes of the district form a
14 closure; and if any mistake is made in copying the
15 field notes in the legislative process, or otherwise a
16 mistake is made in the field notes, it shall in no way
17 affect the organization, existence and validity of the
18 district, or the right of the district to issue any
19 type of bonds or refunding bonds for the purposes for
20 which the district is created, or to pay the principal
21 and interest thereon, or the right to assess, levy and
22 collect taxes, or in any other manner affect the
23 legality or operation of the district or its governing
24 body.

25 Revisor's Note

26 (1) The revision of the law governing the
27 district does not revise the statutory language
28 describing the territory of the district to avoid the
29 lengthy recitation of the description and because that
30 description may not be accurate on the effective date
31 of the revision or at the time of a later reading. For
32 the reader's convenience, the revised law includes a
33 reference to the statutory description of the
34 district's territory and references to authority to
35 change the district's territory, including: (1)
36 Subchapter H, Chapter 54, Water Code, applicable to
37 the district after the district was converted to a
38 municipal utility district governed by Chapter 54 of
39 that code (see Sections 54.030-54.036 of that code and
40 Revisor's Note (3) to Section 8284.002); (2)

1 Subchapter J, Chapter 49, Water Code, applicable to
2 the district under Sections 49.001 and 49.002 of that
3 chapter; and (3) Section 9, Chapter 616, Acts of the
4 61st Legislature, Regular Session, 1969. The revised
5 law also includes a reference to the general authority
6 of the legislature to enact other laws to change the
7 district's territory.

8 (2) Section 3, Chapter 616, Acts of the 61st
9 Legislature, Regular Session, 1969, provides that a
10 mistake does not affect the right of the district to
11 issue "any type of bonds or refunding bonds." The
12 revised law omits the reference to "refunding bonds"
13 because refunding bonds are included in the meaning of
14 "any type of bonds."

15 (3) Section 3, Chapter 616, Acts of the 61st
16 Legislature, Regular Session, 1969, refers to the
17 district's right to "assess, levy and collect" a tax.
18 Throughout this chapter, the revised law substitutes
19 "impose" for "levy" or "assess, levy and collect"
20 because "impose" is the term generally used in Title 1,
21 Tax Code, and includes the assessment, levying, and
22 collection of a tax.

23 Revised Law

24 Sec. 8284.005. EXPANSION OF DISTRICT. (a) If land is
25 annexed to the district under Section 49.301, Water Code, the board
26 may require the petitioners to:

27 (1) assume the petitioners' pro rata share of the voted
28 but unissued bonds of the district; and

29 (2) authorize the board to impose a tax on the
30 petitioners' property to pay for the bonds after the bonds have been
31 issued.

32 (b) If land is annexed to the district under Section 49.302,
33 Water Code, the board may submit to the voters of the area to be
34 annexed a proposition on the question of the assumption by the area

1 to be annexed of its part of the voted but not yet issued or sold tax
2 or tax-revenue bonds of the district and the imposition of an ad
3 valorem tax on taxable property in the area to be annexed along with
4 a tax in the rest of the district for the payment of the bonds.

5 (c) If the petitioners consent or if the election results
6 favorably, the district may issue its voted but unissued tax or
7 tax-revenue bonds regardless of changes to district boundaries
8 since the original voting or authorization of the bonds. (Acts 61st
9 Leg., R.S., Ch. 616, Sec. 9.)

10 Source Law

11 Sec. 9. Land may be added to or annexed to the
12 district in the manner now or hereafter provided by
13 Chapter 3A, Title 128, Vernon's Texas Civil Statutes;
14 provided, however, that the board of directors may
15 require the petitioners, if land is being added in the
16 manner provided by Article 7880--75, Vernon's Civil
17 Statutes to assume their pro rata share of the voted
18 but unissued bonds of the district and authorize the
19 board to levy a tax on their property in payment for
20 such unissued bonds, when issued, or if land is being
21 annexed in the manner provided by Article 7880--75b,
22 Vernon's Texas Civil Statutes, the board may also
23 submit a proposition to the property taxpaying voters
24 of the area to be annexed on the question of the
25 assumption by the area to be annexed of its part of the
26 tax or tax-revenue bonds of the district theretofore
27 voted but not yet issued or sold and the levy of an ad
28 valorem tax on all taxable property within the area to
29 be annexed along with the tax in the rest of the
30 district for the payment thereof. If the petitioners
31 consent or if the election results favorably, the
32 district shall be authorized to issue its voted but
33 unissued tax or tax-revenue bonds even though the
34 boundaries of the district have been changed since the
35 voting or authorization of such bonds.

36 Revisor's Note

37 (1) Section 9, Chapter 616, Acts of the 61st
38 Legislature, Regular Session, 1969, provides that the
39 district may add or annex land in the manner provided
40 by Chapter 3A, Title 128, Vernon's Texas Civil
41 Statutes. The revised law omits that provision as
42 unnecessary. The relevant provisions of that statute
43 were codified by Chapter 58, Acts of the 62nd
44 Legislature, Regular Session, 1971, as Subchapter O,
45 Chapter 51, Water Code. After the district converted
46 to a municipal utility district in 1979, that

1 subchapter no longer applied to the district and
2 Subchapter H, Chapter 54, Water Code, applied instead,
3 as described by Revisor's Note (3) to Section 8284.002.
4 Chapter 715, Acts of the 74th Legislature, Regular
5 Session, 1995, repealed some of the relevant
6 provisions of Subchapter H, Chapter 54, Water Code,
7 and enacted Subchapter J, Chapter 49, Water Code, to
8 govern the addition of land to a municipal utility
9 district and certain other districts. Subchapter J,
10 Chapter 49, Water Code, applies to the district
11 without an express reference to Subchapter J by this
12 chapter. The remaining relevant provisions of
13 Subchapter H, Chapter 54, Water Code, apply to the
14 district under Section 54.034, Water Code, without an
15 express reference to those sections by this chapter.

16 (2) Section 9, Chapter 616, Acts of the 61st
17 Legislature, Regular Session, 1969, refers to Article
18 7880--75, Vernon's Texas Civil Statutes. Article
19 7880--75 was codified by Chapter 58, Acts of the 62nd
20 Legislature, Regular Session, 1971, as Sections
21 51.714-51.717, Water Code, relating to the addition of
22 land to a water control and improvement district by the
23 petition of the landowner. After the district
24 converted to a municipal utility district in 1979,
25 those sections no longer applied to the district.
26 Instead, Sections 54.711-54.715, Water Code, applied
27 to the district under Section 54.034 of that code. See
28 Revisor's Note (3) to Section 8284.002. Chapter 715,
29 Acts of the 74th Legislature, Regular Session, 1995,
30 repealed Sections 54.711-54.715, Water Code, and
31 enacted Section 49.301, Water Code, to govern the
32 addition of land to a municipal utility district by the
33 petition of the landowner. The revised law is drafted
34 accordingly.

1 (3) Section 9, Chapter 616, Acts of the 61st
2 Legislature, Regular Session, 1969, refers to Article
3 7880--75b, Vernon's Texas Civil Statutes. Article
4 7880--75b was codified by Chapter 58, Acts of the 62nd
5 Legislature, Regular Session, 1971, as Sections
6 51.718-51.724, Water Code, relating to the addition of
7 land to a water control and improvement district by the
8 petition of less than all the landowners. After the
9 district converted to a municipal utility district in
10 1979, those sections no longer applied to the
11 district. Instead, Sections 54.716-54.726, Water
12 Code, applied to the district under Section 54.034 of
13 that code. See Revisor's Note (3) to Section 8284.002.
14 Chapter 715, Acts of the 74th Legislature, Regular
15 Session, 1995, repealed Sections 54.716-54.726, Water
16 Code, and enacted Section 49.302, Water Code, to
17 govern the addition of land to a municipal utility
18 district by the petition of less than all the
19 landowners. The revised law is drafted accordingly.

20 (4) Section 9, Chapter 616, Acts of the 61st
21 Legislature, Regular Session, 1969, refers to
22 "property taxpaying voters." The revised law omits
23 the reference to "property taxpaying" because in Hill
24 v. Stone, 421 U.S. 289, 95 S. Ct. 1637 (1975), the
25 United States Supreme Court determined that property
26 ownership as a qualification for voting is an
27 unconstitutional denial of equal protection.

28 Revised Law

29 Sec. 8284.006. STATE POLICY REGARDING WASTE DISPOSAL. The
30 district's powers and duties are subject to the state policy of
31 encouraging the development and use of integrated area-wide waste
32 collection, treatment, and disposal systems to serve the waste
33 disposal needs of this state's residents, if integrated systems can
34 reasonably be provided for an area, so as to avoid the economic

1 burden on residents and the effect on state water quality caused by
2 the construction and operation of numerous small waste collection,
3 treatment, and disposal facilities. (Acts 61st Leg., R.S., Ch.
4 616, Sec. 5 (part).)

5 Source Law

6 Sec. 5. . . .

7 The powers and duties conferred on the district
8 are granted subject to the policy of the state to
9 encourage the development and use of integrated
10 area-wide waste collection, treatment and disposal
11 systems to serve the waste disposal needs of the
12 citizens of the state, it being an objective of the
13 policy to avoid the economical burden to the people and
14 the impact on the quality of the waters in the state
15 which result from the construction and operation of
16 numerous small waste collection, treatment and
17 disposal facilities to serve an area when an
18 integrated area-wide waste collection, treatment and
19 disposal system for the area can be reasonably
20 provided.

21 Revisor's Note

22 Section 5, Chapter 616, Acts of the 61st
23 Legislature, Regular Session, 1969, refers to
24 "citizens" of the state. The revised law substitutes
25 "residents" for "citizens" because, in the context of
26 this section, "citizens" and "residents" are
27 synonymous and "residents" is more commonly used.

28 Revisor's Note

29 (End of Subchapter)

30 (1) Section 5, Chapter 616, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that the
32 act prevails over any general law that applies to water
33 control and improvement districts and that is in
34 conflict or inconsistent with the act. The general law
35 applicable to water control and improvement districts
36 no longer applies to the district because the district
37 converted to a municipal utility district. See
38 Revisor's Note (3) to Section 8284.002. The revised
39 law omits the provision rather than codifying the
40 provision and substituting a reference to municipal
41 utility districts for the reference to water control
42 and improvement districts because the provision

1 duplicates, in substance, Section 311.026, Government
2 Code (Code Construction Act). The omitted law reads:

3 Sec. 5. [The district shall have and
4 exercise, and is hereby vested with, all of
5 the rights, powers, privileges, authority
6 and functions conferred and imposed by the
7 general laws of this state now in force or
8 hereafter enacted, applicable to water
9 control and improvement districts created
10 under authority of Article XVI, Section 59,
11 Constitution of Texas, including without
12 limitation those conferred by Chapter 3A,
13 Title 128, Vernon's Texas Civil Statutes;]
14 but to the extent that the provisions of any
15 such general laws may be in conflict or
16 inconsistent with the provisions of this
17 Act, the provisions of this Act shall
18 prevail. . . .

19 (2) Section 5, Chapter 616, Acts of the 61st
20 Legislature, Regular Session, 1969, provides that any
21 general law relating to water control and improvement
22 districts is adopted and incorporated by reference.
23 The general law applicable to water control and
24 improvement districts no longer applies to the
25 district because the district converted to a municipal
26 utility district. See Revisor's Note (3) to Section
27 8284.002. The revised law omits the provision rather
28 than codifying the provision and substituting a
29 reference to municipal utility districts for the
30 reference to water control and improvement districts
31 because it is not necessary to duplicate by means of
32 adoption and incorporation the substance of general
33 laws applicable to the district. The omitted law
34 reads:

35 Sec. 5. . . . All such general laws
36 are hereby adopted and incorporated by
37 reference with the same effect as if
38 incorporated in full in this Act. . . .

39 (3) Section 20, Chapter 616, Acts of the 61st
40 Legislature, Regular Session, 1969, provides that
41 Article 970a, Vernon's Texas Civil Statutes (Municipal
42 Annexation Act), does not apply to the creation of the
43 district. The revised law omits that provision as

1 executed. The omitted law reads:

2 Sec. 20. This district is hereby
3 created notwithstanding any of the
4 provisions of the Municipal Annexation Act,
5 being Article 970a, Vernon's Texas Civil
6 Statutes, as amended, and to the extent of
7 the creation of the district only, said
8 Article 970a shall have no
9 application. . . .

10 (4) Section 20, Chapter 616, Acts of the 61st
11 Legislature, Regular Session, 1969, provides that the
12 district is subject to certain other laws. The revised
13 law omits that provision because the laws cited apply
14 by their own terms. Section 20 refers to Article 970a,
15 Vernon's Texas Civil Statutes (Municipal Annexation
16 Act). In 1987, Article 970a was codified as Chapters
17 42 and 43, Local Government Code, and Section 212.003,
18 Local Government Code. Section 20 also refers to
19 Article 1182c--1, Vernon's Texas Civil Statutes, "as
20 amended." In 1987, Article 1182c--1 was codified as
21 Sections 43.074, 43.075, and 43.081, Local Government
22 Code.

23 The revised law omits "as amended" because, under
24 Section 311.027, Government Code (Code Construction
25 Act), a reference to a statute applies to all
26 reenactments, revisions, or amendments of that
27 statute, unless expressly provided otherwise. The
28 omitted law reads:

29 Sec. 20. . . . In all other respects,
30 the district hereby created is expressly
31 made subject to all provisions of said
32 Article 970a. District shall also be
33 subject to the provisions of Article
34 1182c--1, Vernon's Texas Civil Statutes, as
35 amended.

36 [Sections 8284.007-8284.050 reserved for expansion]

37 SUBCHAPTER B. DISTRICT ADMINISTRATION

38 Revised Law

39 Sec. 8284.051. COMPOSITION OF BOARD. The board consists of
40 five elected directors. (Acts 61st Leg., R.S., Ch. 616, Sec. 10
41 (part).)

1 the board. The treasurer's bond shall be conditioned on the
2 treasurer's faithful accounting for all money that comes into the
3 treasurer's custody as treasurer of the district. (Acts 61st Leg.,
4 R.S., Ch. 616, Sec. 10 (part).)

5 Source Law

6 Sec. 10. . . . Each director shall qualify by
7 subscribing to the constitutional oath of office and
8 giving bond in the amount of \$5,000 for the faithful
9 performance of his duties. . . . The treasurer . . .
10 shall give bond in such amount as may be required by
11 the board and conditioned that he or it will faithfully
12 account for all money which shall come into his or its
13 custody as treasurer of the district.

14 Revisor's Note

15 (1) Section 10, Chapter 616, Acts of the 61st
16 Legislature, Regular Session, 1969, requires each
17 director to qualify "by subscribing to the
18 constitutional oath of office." The revised law omits
19 the quoted language because it duplicates, in
20 substance, Section 1, Article XVI, Texas Constitution.

21 (2) Section 10, Chapter 616, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that the
23 district shall pay the cost of a director's bond and
24 that the bond shall be approved by the board and
25 recorded in the district office. The revised law omits
26 that provision because it duplicates, in substance,
27 Sections 49.055(c) and (d), Water Code. The omitted
28 law reads:

29 Sec. 10. . . . The cost of such bond
30 shall be paid by the district. . . . The
31 bonds of directors elected or appointed
32 after the directors named below shall be
33 approved by the district's board of
34 directors and shall be recorded in a record
35 kept for that purpose in the office of the
36 district. . . .

37 (3) Section 10, Chapter 616, Acts of the 61st
38 Legislature, Regular Session, 1969, requires each
39 director to give bond and provides that "[s]uch bond"
40 shall be approved by the county judge and filed in the
41 office of the county clerk within which the district is

1 located. That section also provides that the bonds of
2 directors elected or appointed after the initial
3 directors shall be approved by the board and shall be
4 recorded in a record kept for that purpose in the
5 district office. Because the provision requiring
6 directors' bonds to be approved by the county judge and
7 filed in the county clerk's office is followed by a
8 provision requiring bonds of successor directors to be
9 approved by the board and recorded in the district's
10 records, it appears from the context that the
11 provision requiring directors' bonds to be approved by
12 the county judge and filed in the office of the county
13 clerk applies only to the bond of an initial director.
14 Accordingly, the revised law omits that provision as
15 executed. The omitted law reads:

16 Sec. 10. . . . Such bond shall be
17 approved by the county judge and filed in
18 the office of the county clerk within which
19 the district is located. . . .

20 Revised Law

21 Sec. 8284.054. ABSENCE OR INACTION OF BOARD PRESIDENT. (a)
22 When the board president is absent or fails or declines to act, the
23 board vice president shall perform all duties and exercise all
24 power this chapter or general law gives the president.

25 (b) If the board president is absent from a board meeting:

26 (1) the board vice president may sign an order or other
27 action adopted at the meeting; or

28 (2) the board may authorize the president to sign the
29 order or other action. (Acts 61st Leg., R.S., Ch. 616, Sec. 10
30 (part).)

31 Source Law

32 Sec. 10. . . . The vice president shall perform
33 all duties and exercise all power conferred by this Act
34 or the general law upon the president when the
35 president is absent or fails or declines to act. Any
36 order adopted or other action taken at a meeting of the
37 board of directors at which the president is absent may
38 be signed by the vice president, or the board may
39 authorize the president to sign such order or other
40 action. . . .

1 Revised Law

2 Sec. 8284.055. DISTRICT OFFICE. (a) Except as provided by
3 this section, the board shall designate, establish, and maintain a
4 district office as provided by Section 49.062, Water Code.

5 (b) The board may establish a second district office outside
6 the district. If the board establishes a second district office,
7 the board shall give notice of the location of that office by:

8 (1) filing a copy of the board resolution that
9 establishes the location of the office:

10 (A) with the Texas Commission on Environmental
11 Quality; and

12 (B) in the municipal utility district records of
13 the county in which the district is located; and

14 (2) publishing notice of the location of the office in
15 a newspaper of general circulation in the county in which the
16 district is located.

17 (c) A district office that is a private residence, office,
18 or dwelling is a public place for matters relating to the district's
19 business.

20 (d) The board shall provide notice of any change in the
21 location of the district office outside the district in the manner
22 required by Subsection (b). (Acts 61st Leg., R.S., Ch. 616, Sec.
23 15.)

24 Source Law

25 Sec. 15. The board of directors shall
26 designate, establish and maintain a district office as
27 provided by Article 7880--44, Vernon's Texas Civil
28 Statutes, and, in addition, may establish a second
29 district office outside the district. Either or both
30 district offices so established and maintained may be
31 a private residence, office or dwelling in which event
32 such private residence, office or dwelling is hereby
33 declared a public place for matters relating to the
34 district's business.

35 If the board of directors establishes a district
36 office outside the district, it shall give notice of
37 the location of that district office by filing a true
38 copy of its resolution establishing the location of
39 such district office with the Texas Water Rights
40 Commission, by filing a true copy in the Water Control
41 and Improvement District records of the county in
42 which the district is located and also by publishing
43 the location in a newspaper of general circulation in
44 said county.

1 director shall serve until the director's successor is
2 elected or appointed and qualified. The revised law
3 omits that provision because Section 17, Article XVI,
4 Texas Constitution, requires an officer in this state
5 to continue to perform the officer's official duties
6 until a successor has qualified. The omitted law
7 reads:

8 Sec. 10. . . . Each director shall
9 serve for his term of office as herein
10 provided, and thereafter until his
11 successor shall be elected or appointed and
12 qualified. . . .

13 (2) Section 10, Chapter 616, Acts of the 61st
14 Legislature, Regular Session, 1969, names the initial
15 directors, requires them to qualify to serve as
16 directors before the first board meeting, provides for
17 filling vacancies in the office of director, and
18 provides that the named directors or their successors
19 shall serve until the second Tuesday in January 1971.
20 The revised law omits as executed the provisions
21 naming the initial directors, requiring them to
22 qualify by a certain time, and specifying the
23 expiration of their terms. Because the provision
24 specifying the procedure for filling vacancies in the
25 office of director is followed by a provision
26 requiring the named initial directors or their
27 successors to serve until a specified date in 1971, it
28 appears from the context that the provision relating
29 to the filling of vacancies also applies only to the
30 initial directors. Accordingly, the revised law also
31 omits that language as executed. The omitted law
32 reads:

33 Sec. 10. . . . Immediately after
34 this Act becomes effective, the following
35 named persons shall be the directors of the
36 district and shall constitute the board of
37 directors of the district:
38 Charles L. Laswell
39 Lillian P. Scruggs
40 Lillie Bland

1 Joann B. Gabriel
2 T. Turner Pope

3 Said persons shall file their bonds as soon
4 as practicable after the effective date of
5 this Act and shall otherwise be fully
6 qualified to serve as director prior to the
7 first meeting of the board of directors.
8 All vacancies in the office of director
9 shall be filled in the manner provided by
10 Article 7880--38, Vernon's Texas Civil
11 Statutes; provided, however, if at any time
12 the number of qualified directors shall be
13 less than three because of the failure or
14 refusal of one or more directors to qualify
15 or serve, or because of his or their death
16 or incapacitation, or for any other reason,
17 then the county judge of the county in which
18 the district is located shall appoint the
19 necessary number of directors to fill all
20 vacancies on the board. The directors named
21 above or their duly appointed successor or
22 successors shall serve until the second
23 Tuesday in January, 1971. . . .

24 (3) Section 10, Chapter 616, Acts of the 61st
25 Legislature, Regular Session, 1969, provides for
26 directors to be elected or appointed and to serve for
27 the term and in the manner provided by Article
28 7880--37, Vernon's Texas Civil Statutes. Article
29 7880--37 was codified by Chapter 58, Acts of the 62nd
30 Legislature, Regular Session, 1971, as Section 51.073,
31 Water Code. After the district converted to a
32 municipal utility district in 1979, that section no
33 longer applied to the district. Instead, Section
34 54.103, Water Code, applied to the district under
35 Section 54.034 of that code. See Revisor's Note (3) to
36 Section 8284.002. Chapter 715, Acts of the 74th
37 Legislature, Regular Session, 1995, repealed Section
38 54.103, Water Code, and enacted Section 49.103, Water
39 Code, to govern the terms of office and manner of
40 election of directors of a municipal utility district
41 and certain other districts. Section 49.103, Water
42 Code, applies to the district without an express
43 reference to that section by this chapter. The revised
44 law omits "appointed" because it is clear from the
45 context of Section 10 that the reference applies only
46 to directors appointed to fill vacancies as provided

1 by Chapter 49, Water Code. The omitted law reads:

2 Sec. 10. . . . [Succeeding directors
3 shall be elected or] appointed and shall
4 serve for the term and in the manner
5 provided by Article 7880--37, Vernon's
6 Texas Civil Statutes. . . .

7 (4) Section 10, Chapter 616, Acts of the 61st
8 Legislature, Regular Session, 1969, provides that
9 three directors constitute a quorum and that a
10 concurrence of three directors is sufficient in all
11 matters relating to the business of the district,
12 including certain construction matters. The revised
13 law omits that provision because it duplicates, in
14 substance, Section 49.053, Water Code. The omitted
15 law reads:

16 Sec. 10. . . . Three directors shall
17 constitute a quorum of any meeting, and a
18 concurrence of three shall be sufficient in
19 all matters pertaining to the business of
20 the district including the letting of
21 construction contracts and the drawing of
22 warrants in payment for construction work,
23 the purchase of existing facilities, and
24 matters relating to construction
25 work. . . .

26 (5) Section 10, Chapter 616, Acts of the 61st
27 Legislature, Regular Session, 1969, provides for the
28 selection of officers by the board and the powers of
29 the board's president. The revised law omits those
30 provisions because they duplicate, in substance,
31 Section 49.054, Water Code. The omitted law reads:

32 Sec. 10. . . . The board shall select
33 from its number a president, vice
34 president, secretary and such other
35 officers as in the judgment of the board are
36 necessary. The president may execute all
37 contracts, construction or otherwise,
38 entered into by the board of directors on
39 behalf of the district. . . .

40 [Sections 8284.056-8284.100 reserved for expansion]

41 SUBCHAPTER C. POWERS AND DUTIES

42 Revised Law

43 Sec. 8284.101. MUNICIPAL UTILITY DISTRICT POWERS. The
44 district has all of the rights, powers, privileges, and functions

1 conferred and imposed by the general law of this state relating to
2 municipal utility districts created under Section 59, Article XVI,
3 Texas Constitution, including those conferred by Chapters 49 and
4 54, Water Code. (Acts 61st Leg., R.S., Ch. 616, Sec. 5 (part).)

5 Source Law

6 Sec. 5. The district shall have and exercise,
7 and is hereby vested with, all of the rights, powers,
8 privileges, authority and functions conferred and
9 imposed by the general laws of this state now in force
10 or hereafter enacted, applicable to water control and
11 improvement districts created under authority of
12 Article XVI, Section 59, Constitution of Texas,
13 including without limitation those conferred by
14 Chapter 3A, Title 128, Vernon's Texas Civil Statutes;
15

16 Revisor's Note

17 (1) Section 5, Chapter 616, Acts of the 61st
18 Legislature, Regular Session, 1969, states that the
19 district "shall have and exercise, and is hereby
20 vested with," certain powers. The revised law
21 substitutes "has" for the quoted language because in
22 the context of this section, the terms are synonymous
23 and "has" is more commonly used.

24 (2) Section 5, Chapter 616, Acts of the 61st
25 Legislature, Regular Session, 1969, refers to "rights,
26 powers, privileges, authority and functions." The
27 revised law omits "authority" as included in the
28 meaning of "power" and "powers."

29 (3) Section 5, Chapter 616, Acts of the 61st
30 Legislature, Regular Session, 1969, states that the
31 district has the rights, powers, privileges,
32 authority, and functions conferred by the general laws
33 of this state "now in force or hereafter enacted." The
34 revised law omits the quoted language because it is
35 unnecessary under accepted general principles of
36 statutory construction. The "general laws of this
37 state" means those laws "in force" at the time the
38 provision was adopted. It is not necessary to state
39 that the district may be granted additional powers by

1 later enacted laws because those laws apply on their
2 own terms.

3 (4) Section 5, Chapter 616, Acts of the 61st
4 Legislature, Regular Session, 1969, grants the
5 district certain powers, including "without
6 limitation" the powers conferred by Chapter 3A, Title
7 128, Vernon's Texas Civil Statutes. The revised law
8 omits "without limitation" because Section
9 311.005(13), Government Code (Code Construction Act),
10 provides that "includes" and "including" are terms of
11 enlargement and not of limitation and do not create a
12 presumption that components not expressed are
13 excluded.

14 (5) Section 5, Chapter 616, Acts of the 61st
15 Legislature, Regular Session, 1969, refers to "Chapter
16 3A, Title 128, Vernon's Texas Civil Statutes." The
17 relevant provisions of that statute were codified by
18 Chapter 58, Acts of the 62nd Legislature, Regular
19 Session, 1971, as Chapter 51, Water Code. After the
20 district converted to a municipal utility district in
21 1979, Chapter 51, Water Code, no longer applied to the
22 district. Instead, Chapter 54, Water Code, applies to
23 the district under Section 54.034 of that code. See
24 Revisor's Note (3) to Section 8284.002. In 1995,
25 Section 2, Chapter 715, Acts of the 74th Legislature,
26 Regular Session, enacted Chapter 49, Water Code. To
27 reflect those changes, the revised law substitutes a
28 reference to Chapters 49 and 54, Water Code, for the
29 reference to "Chapter 3A, Title 128, Vernon's Texas
30 Civil Statutes."

31 (6) Section 5, Chapter 616, Acts of the 61st
32 Legislature, Regular Session, 1969, refers to the
33 continuing right of this state to supervise the
34 district through the Texas Water Rights Commission.

1 The revised law omits the provision because the Texas
2 Commission on Environmental Quality is the successor
3 to the Texas Water Rights Commission, and therefore
4 the provision duplicates, in substance, part of
5 Section 12.081, Water Code, which applies to the
6 district. The omitted law reads:

7 Sec. 5. . . .
8 The rights, powers, privileges,
9 authority and functions herein granted to
10 the district shall be subject to the
11 continuing right of supervision of the
12 state, to be exercised by and through the
13 Texas Water Rights Commission. . . .

14 Revised Law

15 Sec. 8284.102. ADDITIONAL POWERS. (a) The district may:

16 (1) make, purchase, construct, lease, or otherwise
17 acquire property, works, facilities, existing improvements, or
18 improvements to be made, constructed, or acquired that are:

19 (A) inside or outside the district's boundaries;
20 and

21 (B) necessary to carry out the powers granted by
22 this chapter or general law; or

23 (2) enter into a contract with a person on terms the
24 board considers desirable, fair, and advantageous for:

25 (A) the purchase or sale of water;

26 (B) the transportation, treatment, and disposal
27 of the domestic, industrial, or communal wastes of the district or
28 others;

29 (C) the continuing and orderly development of
30 land and property in the district through the purchase,
31 construction, or installation of facilities, works, or
32 improvements that the district is otherwise authorized to do or
33 perform so that, to the greatest extent reasonably possible,
34 considering sound engineering and economic practices, all of the
35 land and property may ultimately receive the services of the
36 facilities, works, or improvements; and

37 (D) the performance of any of the powers granted

1 by this chapter or the general law relating to municipal utility
2 districts.

3 (b) A contract under Subsection (a)(2) may not have a
4 duration of more than 40 years. (Acts 61st Leg., R.S., Ch. 616,
5 Sec. 5 (part).)

6 Source Law

7 Sec. 5. . . .

8 Not by way of limitation, the District shall have
9 and is hereby expressly granted the following rights,
10 powers, privileges and functions:

11 (a) The power and authority to make,
12 purchase, construct, lease, or otherwise acquire
13 property, works, facilities and improvements (whether
14 previously existing or to be made, constructed or
15 acquired) within or without the boundaries of the
16 district necessary to carry out the powers and
17 authority granted by this Act and the general laws.

18 (b) The right, power and authority to
19 enter into contracts of not exceeding 40 years'
20 duration with persons, corporations, public or
21 private, municipal corporations, political
22 subdivisions of the State of Texas, and others, on such
23 terms and conditions as the board of directors may deem
24 desirable, fair and advantageous for:

25 (1) the purchase and sale of water,
26 or either;

27 (2) the transportation, treatment
28 and disposal of its domestic, industrial or communal
29 wastes or the transportation, treatment and disposal
30 of domestic, industrial or communal wastes of others;

31 (3) the continuing and orderly
32 development of the lands and property within the
33 district through the purchase, construction or
34 installation of facilities, works or improvements
35 which the district may otherwise be empowered and
36 authorized to do or perform so that, to the greatest
37 extent reasonably possible, considering sound
38 engineering and economic practices, all of such lands
39 and property may be placed in a position to ultimately
40 receive the services of such facilities, works or
41 improvements; and

42 (4) the performance of any of the
43 rights or powers granted in this Act and the general
44 laws relating to water control and improvement
45 districts. . . .

46 Revisor's Note

47 (1) Section 5, Chapter 616, Acts of the 61st
48 Legislature, Regular Session, 1969, provides that,
49 "[n]ot by way of limitation," the district has certain
50 specified rights, powers, privileges, and functions.
51 The revised law omits the quoted language because it is
52 an accepted general principle of statutory
53 construction that a grant of a right, power,

1 privilege, or function does not act as a limitation.
2 The general principle applies to this revision.

3 (2) Section 5, Chapter 616, Acts of the 61st
4 Legislature, Regular Session, 1969, provides that the
5 district "shall have and is hereby expressly granted
6 the following rights, powers, privileges and
7 functions" to take certain actions. The revised law
8 substitutes "may" for the quoted language because that
9 term is more concise and is the substantive equivalent
10 of the quoted language.

11 (3) Section 5, Chapter 616, Acts of the 61st
12 Legislature, Regular Session, 1969, refers to the
13 power of the district to enter into contracts with
14 persons, "corporations, public or private, municipal
15 corporations, political subdivisions of the State of
16 Texas, and others." The revised law omits the quoted
17 language because under Section 311.005(2), Government
18 Code (Code Construction Act), "person" is defined to
19 include any legal entity.

20 (4) Section 5, Chapter 616, Acts of the 61st
21 Legislature, Regular Session, 1969, provides that the
22 district may enter into a contract on "terms and
23 conditions" the board considers desirable, fair, and
24 advantageous. The revised law omits the reference to
25 "conditions" because "conditions" is included in the
26 meaning of "terms."

27 Revised Law

28 Sec. 8284.103. EMINENT DOMAIN. The district may exercise
29 the power of eminent domain only:

- 30 (1) in the county in which the district is located; and
31 (2) when necessary to carry out the purposes for which
32 the district was created. (Acts 61st Leg., R.S., Ch. 616, Sec. 13
33 (part).)

1 under the hand of either the president or the secretary
2 of the district. . . .

3 [Sections 8284.106-8284.150 reserved for expansion]

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

5 Revised Law

6 Sec. 8284.151. TAX METHOD. (a) The district shall use the
7 ad valorem plan of taxation.

8 (b) The board is not required to call or hold a hearing on
9 the adoption of a plan of taxation. (Acts 61st Leg., R.S., Ch. 616,
10 Sec. 8.)

11 Source Law

12 Sec. 8. The ad valorem plan of taxation shall be
13 used by the district and it shall not be necessary for
14 the board of directors to call or hold a hearing on the
15 adoption of a plan of taxation.

16 Revised Law

17 Sec. 8284.152. DISTRICT ACCOUNTS. The district shall keep
18 a complete system of the district's accounts. (Acts 61st Leg.,
19 R.S., Ch. 616, Sec. 14 (part).)

20 Source Law

21 Sec. 14. . . . A complete system of accounts
22 shall be kept by the district and

23 Revised Law

24 Sec. 8284.153. FISCAL YEAR. The fiscal year of the district
25 is from January 1 to December 31 of the same year. (Acts 61st Leg.,
26 R.S., Ch. 616, Sec. 14 (part).)

27 Source Law

28 Sec. 14. . . . The fiscal year of the district
29 shall be from January 1 to December 31 of the same
30 year, unless and until changed by the board of
31 directors. . . .

32 Revisor's Note

33 Section 14, Chapter 616, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that the
35 district's fiscal year is January 1 to December 31
36 "unless and until changed by the board of directors."
37 The revised law omits the quoted language because it
38 duplicates Section 49.158, Water Code.

1 Revised Law

2 Sec. 8284.154. COPY OF AUDIT REPORT. A copy of the audit
3 report prepared under Subchapter G, Chapter 49, Water Code, shall
4 be delivered:

5 (1) to each director; and

6 (2) to a holder of at least 25 percent of the
7 outstanding bonds of the district, on request. (Acts 61st Leg.,
8 R.S., Ch. 616, Sec. 14 (part); New.)

9 Source Law

10 Sec. 14. . . . A written report of the audit
11 shall be delivered to each member of the board of
12 directors . . . a copy of such audit report shall be
13 delivered upon request to the holder or holders of at
14 least 25 percent of the then outstanding bonds of the
15 district; and

16 Revisor's Note

17 (1) Section 14, Chapter 616, Acts of the 61st
18 Legislature, Regular Session, 1969, refers to various
19 audit procedures, including who may receive a copy of
20 the audit report. As detailed in the revisor's notes
21 that follow, procedures that are superseded by
22 Subchapter G, Chapter 49, Water Code, have been
23 omitted as superseded by Section 49.191(b), Water
24 Code, and the specific provisions in Subchapter G that
25 conflict with Chapter 616, Acts of the 61st
26 Legislature, Regular Session, 1969. Section 49.191(b)
27 states that Subchapter G "shall take precedence over
28 all prior statutory enactments." Subchapter G,
29 Chapter 49, Water Code, was enacted in 1995 by Section
30 2, Chapter 715, Acts of the 74th Legislature, Regular
31 Session. For context and the convenience of the
32 reader, the revised law adds a reference to the audit
33 report required by Subchapter G, Chapter 49, Water
34 Code.

35 (2) Section 14, Chapter 616, Acts of the 61st
36 Legislature, Regular Session, 1969, provides that an
37 annual audit of the district's affairs shall be

1 prepared by an independent certified public accountant
2 or a firm of independent certified public accountants
3 of recognized integrity and ability. The revised law
4 omits that provision as superseded by Sections
5 49.191(b) and (c), Water Code (enacted by Section 2,
6 Chapter 715, Acts of the 74th Legislature, Regular
7 Session, 1995). The omitted law reads:

8 Sec. 14. . . . an audit of its
9 affairs for each year shall be prepared by
10 an independent certified public accountant,
11 or a firm of independent certified public
12 accountants, of recognized integrity and
13 ability. . . .

14 (3) Section 14, Chapter 616, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that a
16 written report of the audit shall be delivered to each
17 board member not later than 90 days after the close of
18 each fiscal year. The revised law omits the deadline
19 for delivery of the report as superseded by Sections
20 49.191(b) and (d), Water Code (enacted by Section 2,
21 Chapter 715, Acts of the 74th Legislature, Regular
22 Session, 1995). The omitted law reads:

23 Sec. 14. . . . [A written report of
24 the audit shall be delivered to each member
25 of the board of directors] not later than 90
26 days after the close of each fiscal year;
27 and

28 (4) Section 14, Chapter 616, Acts of the 61st
29 Legislature, Regular Session, 1969, provides that at
30 least five copies of the audit report shall be
31 delivered to the district office and that one of those
32 copies shall constitute a public record. The revised
33 law omits those provisions as superseded by Sections
34 49.191(b), 49.194(c), and 49.196(b), Water Code
35 (enacted by Section 2, Chapter 715, Acts of the 74th
36 Legislature, Regular Session, 1995). The omitted law
37 reads:

38 Sec. 14. . . . at least five
39 additional copies of said audit shall be
40 delivered to the office of the district, one

1 of which shall be kept on file, and shall
2 constitute a public record open to
3 inspection by any interested person or
4 persons within normal office hours;
5 and

6 (5) Section 14, Chapter 616, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that one
8 copy of the audit report shall be filed with the Texas
9 Water Rights Commission. The revised law omits that
10 provision as superseded by Sections 49.191(b) and
11 49.194(a), Water Code (enacted by Section 2, Chapter
12 715, Acts of the 74th Legislature, Regular Session,
13 1995). The omitted law reads:

14 Sec. 14. . . . one copy of such audit
15 report shall be filed with the Texas Water
16 Rights Commission. . . .

17 (6) Section 14, Chapter 616, Acts of the 61st
18 Legislature, Regular Session, 1969, provides that the
19 district shall pay the cost of the audit. The revised
20 law omits that provision because it duplicates Section
21 49.191(a), Water Code. The omitted law reads:

22 Sec. 14. . . . The cost of such audit
23 shall be paid for by the district.

24 Revised Law

25 Sec. 8284.155. PAYMENT OF TAX OR ASSESSMENT NOT REQUIRED.
26 The district is not required to pay a tax or assessment on:

- 27 (1) district property; or
28 (2) a purchase made by the district. (Acts 61st Leg.,
29 R.S., Ch. 616, Sec. 21 (part).)

30 Source Law

31 Sec. 21. . . . the district shall not be
32 required to pay any tax or assessment on its properties
33 or any part thereof or on any purchases made by the
34 district.

35 Revised Law

36 Sec. 8284.156. DEPOSITORY. (a) The board shall select one
37 or more banks in this state to act as depository for the district's
38 money.

39 (b) To the extent that money in the depository bank is not
40 insured by the Federal Deposit Insurance Corporation, the money

1 must be secured in the manner provided by law for the security of
2 county funds.

3 (c) A director may be a shareholder in a bank that is a
4 depository of district money. (Acts 61st Leg., R.S., Ch. 616, Sec.
5 14 (part).)

6 Source Law

7 Sec. 14. The board of directors of the district
8 shall select any bank or banks in the State of Texas to
9 act as depository or depositories for the funds of the
10 district. To the extent that funds in the depository
11 bank or banks are not insured by the Federal Deposit
12 Insurance Corporation, they shall be secured in the
13 manner provided by law for the security of county
14 funds. Any director of the district may be a
15 shareholder in said depository bank or banks. . . .

16 Revisor's Note

17 Section 14, Chapter 616, Acts of the 61st
18 Legislature, Regular Session, 1969, refers to the
19 district's "funds." The revised law substitutes
20 "money" for "funds" because, in the context of
21 district funds, the meaning is the same and "money" is
22 the more commonly used term.

23 [Sections 8284.157-8284.200 reserved for expansion]

24 SUBCHAPTER E. BONDS

25 Revised Law

26 Sec. 8284.201. LOST OR MUTILATED BONDS. A trust indenture
27 securing bonds issued under this chapter may provide for the
28 issuance of bonds to replace lost or mutilated bonds. (Acts 61st
29 Leg., R.S., Ch. 616, Sec. 12 (part).)

30 Source Law

31 Sec. 12. . . . [Such bonds . . . may be
32 additionally secured by a deed of trust or mortgage
33 lien] Such trust indenture, . . . may make
34 provisions for . . . the issuance of bonds to replace
35 lost or mutilated bonds, and

36 Revised Law

37 Sec. 8284.202. USE OF BOND PROCEEDS DURING CONSTRUCTION.
38 (a) The district may appropriate or set aside out of the proceeds
39 from the sale of any bonds issued under this chapter an amount for
40 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. (Acts 61st Leg., R.S., Ch. 616, Sec. 12
5 (part).)

6 Source Law

7 Sec. 12. . . .

8 From the proceeds of sale of any bonds issued
9 hereunder, the district may appropriate or set aside
10 out of the bond proceeds an amount for the payment of
11 interest, administrative and operating expenses
12 expected to accrue during the period of construction,
13 (such period not to exceed three years), as may be
14 provided in the bond orders or resolutions, and

15 Revised Law

16 Sec. 8284.203. REFUNDING BONDS. (a) By order or resolution
17 adopted by the board, the district may issue tax or revenue
18 refunding bonds or tax-revenue refunding bonds to refund revenue
19 bonds or tax-revenue bonds, whether original bonds or refunding
20 bonds, previously issued by the district.

21 (b) The comptroller shall register the refunding bonds on
22 the surrender and cancellation of the bonds to be refunded.

23 (c) Instead of issuing bonds to be registered on the
24 surrender and cancellation of the bonds to be refunded, the
25 district, in the order or resolution authorizing the issuance of
26 the refunding bonds, may provide for the sale of the refunding bonds
27 and the deposit of the proceeds in the place or places where the
28 bonds to be refunded are payable. In that case, the refunding bonds
29 may be issued if an amount sufficient to pay the principal of and
30 interest on the bonds to be refunded to their maturity dates, or to
31 their option dates if according to their terms the bonds have been
32 called for payment before maturity, has been deposited in the place
33 or places where the bonds to be refunded are payable, and the
34 comptroller shall register the refunding bonds without the
35 surrender and cancellation of the bonds to be refunded. (Acts 61st
36 Leg., R.S., Ch. 616, Sec. 12 (part).)

37 Source Law

38 Sec. 12. . . .

1 By orders or resolutions adopted by its board of
2 directors, said district shall have the power and
3 authority to issue tax or revenue refunding bonds or
4 tax-revenue refunding bonds to refund revenue bonds or
5 tax-revenue bonds (either original bonds or refunding
6 bonds) theretofore issued by such district. Said
7 refunding bonds shall be approved by the attorney
8 general as in the case of original bonds, and shall be
9 registered by the comptroller of public accounts upon
10 the surrender and cancellation of the bonds to be
11 refunded, but in lieu thereof, the orders or
12 resolutions authorizing their issuance may provide
13 that they shall be sold and the proceeds thereof
14 deposited in the place or places where the underlying
15 bonds are payable, in which case the refunding bonds
16 may be issued provided an amount sufficient to pay the
17 interest and principal on the underlying bonds to
18 their maturity dates, or to their option dates if said
19 bonds have been duly called for payment prior to
20 maturity according to their terms, has been so
21 deposited in the place or places where said underlying
22 bonds are payable, and the comptroller of public
23 accounts shall register them without the surrender and
24 cancellation of the underlying bonds. . . .

25 Revisor's Note

26 (1) Section 12, Chapter 616, Acts of the 61st
27 Legislature, Regular Session, 1969, provides that the
28 district "shall have the power and authority" to issue
29 certain bonds. The revised law substitutes "may" for
30 the quoted language for the reason stated in Revisor's
31 Note (2) to Section 8284.102.

32 (2) Section 12, Chapter 616, Acts of the 61st
33 Legislature, Regular Session, 1969, provides that
34 refunding bonds "shall be approved by the attorney
35 general as in the case of original bonds." The revised
36 law omits the quoted language because it is superseded
37 by Section 1202.003, Government Code, enacted in 1987
38 as Section 3.002(a), Chapter 53, Acts of the 70th
39 Legislature, 2nd Called Session (Article 717k-8,
40 Vernon's Texas Civil Statutes). That section applies
41 to district bonds by application of Section 1202.001,
42 Government Code.

43 (3) Section 12, Chapter 616, Acts of the 61st
44 Legislature, Regular Session, 1969, refers to bonds
45 that have been "duly" called for payment before their
46 maturity. The revised law omits "duly" in this context

1 because it does not add to the clear meaning of the
2 law.

3 Revisor's Note
4 (End of Subchapter)

5 (1) Section 11, Chapter 616, Acts of the 61st
6 Legislature, Regular Session, 1969, provides that the
7 district shall comply with the requirements of Article
8 7880--139, Vernon's Texas Civil Statutes. Article
9 7880--139 was codified by Chapter 58, Acts of the 62nd
10 Legislature, Regular Session, 1971, as Sections 51.421
11 and 51.422, Water Code. After the district was
12 converted to a municipal utility district in 1979,
13 those sections no longer applied to the district.
14 Instead, Sections 54.516 and 54.517, Water Code,
15 applied to the district under Section 54.034 of that
16 code. See Revisor's Note (3) to Section 8284.002.
17 Chapter 715, Acts of the 74th Legislature, Regular
18 Session, 1995, repealed Sections 54.516 and 54.517,
19 Water Code, and enacted Sections 49.181 and 49.182,
20 Water Code, to govern the authority of the Texas
21 Commission on Environmental Quality over the issuance
22 of district bonds and supervision by the commission of
23 projects and improvements, respectively. Sections
24 49.181 and 49.182, Water Code, apply to the district on
25 their own terms, without an express reference to those
26 sections in this chapter. The omitted law reads:

27 Sec. 11. The district shall comply
28 with the requirements of Article 7880--139,
29 Vernon's Texas Civil Statutes as it
30 presently exists or as it may be hereafter
31 amended.

32 (2) Section 12, Chapter 616, Acts of the 61st
33 Legislature, Regular Session, 1969, refers to the
34 district's authority to issue bonds for specific
35 purposes. The revised law omits that provision
36 because it duplicates Section 54.501, Water Code. The
37 omitted law reads:

1 Sec. 12. The district is hereby
2 authorized to issue [its negotiable tax
3 bonds, revenue bonds, or tax and revenue]
4 bonds to provide funds for any or all of the
5 purposes set out or incorporated by
6 reference herein, including the acquisition
7 of land therefor, and

8 (3) Section 12, Chapter 616, Acts of the 61st
9 Legislature, Regular Session, 1969, authorizes the
10 district to issue "negotiable" bonds and provides for
11 the payment of those bonds. The revised law omits the
12 reference to "negotiable" bonds because Section
13 1201.041, Government Code, provides that a public
14 security is a negotiable instrument. Section 1201.041
15 applies to district bonds by application of Section
16 1201.002, Government Code. The revised law omits the
17 provision regarding the payment of district bonds
18 because the provision duplicates, in substance,
19 Section 54.503, Water Code. The omitted law reads:

20 Sec. 12. [The district is hereby
21 authorized to issue] its negotiable tax
22 bonds, revenue bonds, or tax and revenue
23 [bonds]

24 The bonds issued hereunder may be
25 payable from all or any designated part or
26 parts of the revenues of the district's
27 properties and facilities or under specific
28 contracts, as may be provided in the orders
29 or resolutions authorizing the issuance of
30 such bonds; and,

31 (4) Section 12, Chapter 616, Acts of the 61st
32 Legislature, Regular Session, 1969, provides that
33 district bonds shall be issued under Chapter 3A, Title
34 128, and Article 7880--90a, Vernon's Texas Civil
35 Statutes. Chapter 58, Acts of the 62nd Legislature,
36 Regular Session, 1971, codified the relevant
37 provisions of Chapter 3A, Title 128, as Chapter 51,
38 Water Code. The same act codified Article 7880--90a as
39 Sections 51.450-51.454, Water Code. The revised law
40 omits the references to those laws because the
41 district converted from a water control and
42 improvement district governed by Chapter 51, Water

1 Code, to a municipal utility district governed by
2 Chapter 54, Water Code. See Revisor's Note (3) to
3 Section 8284.002. The provisions of Chapter 54, Water
4 Code, apply on their own terms. The omitted law reads:

5 Sec. 12. . . . said bonds shall be
6 issued in the manner provided and as
7 authorized by Article 7880--90a, Vernon's
8 Texas Civil Statutes and Chapter 3A of Title
9 128, Vernon's Texas Civil Statutes, as
10 presently or hereafter amended,

11 (5) Section 12, Chapter 616, Acts of the 61st
12 Legislature, Regular Session, 1969, provides that an
13 election is not required for bonds payable from
14 revenues. The revised law omits that provision
15 because it duplicates, in substance, Section 54.505,
16 Water Code. The omitted law reads:

17 Sec. 12. . . . provided, however,
18 that bonds payable solely from net revenues
19 may be issued by resolution or order of the
20 board of directors and no election therefor
21 shall be necessary. . . .

22 (6) Section 12, Chapter 616, Acts of the 61st
23 Legislature, Regular Session, 1969, provides that
24 Chapter 3A, Title 128, Vernon's Texas Civil Statutes,
25 applies to bonds issued under Section 12 except when
26 Chapter 3A is inconsistent or in conflict with Section
27 12. The revised law omits the provision for the
28 reasons stated in Revisor's Note (4) to the end of this
29 subchapter and Revisor's Note (1) to the end of
30 Subchapter A. The omitted law reads:

31 Sec. 12. . . . except as the same may
32 be inconsistent or in conflict with the
33 provisions of this Act, the provisions of
34 said Chapter 3A of Title 128, Vernon's Texas
35 Civil Statutes, as presently or hereafter
36 amended, shall apply to all bonds issued
37 under the provisions of this Act (the
38 provisions of this Act to govern and take
39 precedence in the event of any such
40 inconsistency or conflict). . . .

41 (7) Section 12, Chapter 616, Acts of the 61st
42 Legislature, Regular Session, 1969, provides for
43 additional security for bonds. The revised law omits

1 that provision because it duplicates Section 54.504,
2 Water Code. The omitted law reads:

3 Sec. 12. . . .

4 Such bonds, within the discretion of
5 the board of directors, may be additionally
6 secured by a deed of trust or mortgage lien
7 upon part or all of the physical properties
8 of the district, and franchises, easements,
9 water rights and appropriation permits,
10 leases, and contracts and all rights
11 appurtenant to such properties, vesting in
12 the trustee power to sell such properties
13 for payment of the indebtedness, power to
14 operate the properties and all other powers
15 and authority for the further security of
16 the bonds. [Such trust indenture,
17 regardless of the existence of the deed of
18 trust or mortgage lien on the properties,
19 may contain provisions prescribed by the
20 board of directors for the security of the
21 bonds and the preservation of the trust
22 estate, and [may make provisions for]
23 amendment or modification thereof and . . .
24 may condition the right to expend district
25 money or sell district property upon
26 approval of a registered professional
27 engineer selected as provided therein and
28 may make provisions for investment of funds
29 of the district. Any purchaser under a sale
30 under the deed of trust or mortgage lien,
31 where one is given, shall be absolute owner
32 of the properties, facilities and rights so
33 purchased and shall have the right to
34 maintain and operate same. . . .

35 (8) Section 12, Chapter 616, Acts of the 61st
36 Legislature, Regular Session, 1969, specifies various
37 provisions of bonds. The revised law omits that
38 provision because it duplicates Section 54.510, Water
39 Code. The omitted law reads:

40 Sec. 12. . . .

41 In the orders or resolutions
42 authorizing the issuance of any revenue,
43 tax-revenue, revenue refunding, or
44 tax-revenue refunding bonds authorized
45 hereunder, the district's board of
46 directors may provide for the flow of funds,
47 the establishment and maintenance of the
48 interest and sinking fund or funds, reserve
49 fund or funds, and other funds, and may make
50 additional covenants with respect to the
51 bonds and the pledged revenues and the
52 operation and maintenance of those
53 improvements and facilities (the revenues
54 of which are pledged), including provisions
55 for the operation or for the leasing of all
56 or any part of said improvements and
57 facilities and the use or pledge of moneys
58 derived from such operation contracts and
59 leases, as such board may deem appropriate.
60 Such orders or resolutions may also

1 prohibit the further issuance of bonds or
2 other obligations payable from the pledged
3 revenues, or may reserve the right to issue
4 additional bonds to be secured by a pledge
5 of and payable from said revenues on a
6 parity with, or subordinate to, the lien and
7 pledge in support of the bonds being issued,
8 subject to such conditions as are set forth
9 in such orders or resolutions. Such orders
10 or resolutions may contain other provisions
11 and covenants, as the district's board may
12 determine, not prohibited by the
13 Constitution of Texas or by this Act, and
14 said board may adopt and cause to be
15 executed any other proceedings or
16 instruments necessary and/or convenient in
17 the issuance of any such bonds. . . .

18 (9) Section 12, Chapter 616, Acts of the 61st
19 Legislature, Regular Session, 1969, provides for the
20 use of bond proceeds to pay expenses incurred and to be
21 incurred in the issuance, sale, and delivery of the
22 bonds. The revised law omits that provision because it
23 duplicates, in substance, Section 49.155, Water Code.
24 The omitted law reads:

25 Sec. 12. . . .
26 [From the proceeds of sale of any bonds
27 issued hereunder, the district may
28 appropriate or set aside out of the bond
29 proceeds] . . . an amount necessary to pay
30 all expenses incurred and to be incurred in
31 the issuance, sale and delivery of the
32 bonds. . . .

33 (10) Section 12, Chapter 616, Acts of the 61st
34 Legislature, Regular Session, 1969, provides that
35 money in a fund established or provided for in a bond
36 order or resolution may be invested in securities as
37 provided in the bond order or may be placed on
38 interest-bearing time deposit. The revised law omits
39 that provision because it is superseded by Subchapter
40 A, Chapter 2256, Government Code (enacted as Chapter
41 889, Acts of the 70th Legislature, Regular Session,
42 1987). The omitted law reads:

43 Sec. 12. . . . Moneys in the interest
44 and sinking fund or funds and the reserve
45 fund or funds, and in the other fund or
46 funds established or provided for in the
47 bond orders or resolutions may be invested
48 in such manner and in such securities as may
49 be provided in the bond order or orders or
50 may be placed on interest-bearing time

1 deposit. . . .

2 (11) Section 12, Chapter 616, Acts of the 61st
3 Legislature, Regular Session, 1969, provides that bond
4 proceeds may be invested in securities of the United
5 States or placed on interest-bearing time deposit.
6 The revised law omits that provision as superseded by
7 Subchapter A, Chapter 2256, Government Code (enacted
8 as Chapter 889, Acts of the 70th Legislature, Regular
9 Session, 1987). The omitted law reads:

10 Sec. 12. . . . Until such time as the
11 bond proceeds are needed to carry out the
12 bond purpose, such proceeds may be invested
13 in securities of the United States
14 Government or any agency thereof or may be
15 placed on interest-bearing time deposit,
16 either or both. . . .

17 (12) Section 12, Chapter 616, Acts of the 61st
18 Legislature, Regular Session, 1969, provides that
19 district bonds may be registered as to principal or as
20 to principal and interest. The revised law omits that
21 provision because it duplicates Section 1201.024,
22 Government Code. That section applies to district
23 bonds by application of Section 1201.002, Government
24 Code. The omitted law reads:

25 Sec. 12. . . . Any such revenue
26 bonds, tax bonds, revenue refunding bonds,
27 or tax-revenue refunding bonds hereinafter
28 mentioned may be registrable as to
29 principal, or as to both principal and
30 interest. . . .

31 (13) Section 12, Chapter 616, Acts of the 61st
32 Legislature, Regular Session, 1969, requires the
33 district to deliver its bonds to the attorney general
34 for examination and approval. The revised law omits
35 that provision because it duplicates, in substance,
36 Section 1202.003, Government Code. Section 1202.003,
37 Government Code, applies to district bonds by
38 application of Section 1202.001, Government Code. The
39 omitted law reads:

40 Sec. 12. . . .
41 After any bonds have been authorized

1 by the district hereunder, such bonds and
2 the record relating to their issuance shall
3 be submitted to the Attorney General of the
4 State of Texas for his examination as to the
5 validity thereof, and

6 (14) Section 12, Chapter 616, Acts of the 61st
7 Legislature, Regular Session, 1969, provides that
8 after approval the bonds shall be registered with the
9 comptroller. The revised law omits that provision as
10 superseded by Section 1202.005, Government Code
11 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
12 of the 70th Legislature, 2nd Called Session). Section
13 1202.005, Government Code, applies to district bonds
14 by application of Section 1202.001, Government Code.
15 The omitted law reads:

16 Sec. 12. . . . after said attorney
17 general has approved the same, such bonds
18 shall be registered by the Comptroller of
19 Public Accounts of the State of
20 Texas. . . .

21 (15) Section 12, Chapter 616, Acts of the 61st
22 Legislature, Regular Session, 1969, provides that
23 after approval and registration, district bonds are
24 incontestable except for forgery or fraud. The
25 revised law omits that provision as impliedly repealed
26 by Section 1202.006, Government Code (enacted as
27 Section 3.002(d), Chapter 53, Acts of the 70th
28 Legislature, 2nd Called Session, 1987). Section
29 1202.006, Government Code, provides that after
30 approval and registration, bonds are incontestable for
31 any reason. Section 1202.006 applies to district
32 bonds by application of Section 1202.001, Government
33 Code. The omitted law reads:

34 Sec. 12. . . . When such bonds have
35 been approved by the attorney general,
36 registered by the comptroller of public
37 accounts, and delivered to the purchasers,
38 they shall thereafter be incontestable
39 except for forgery or fraud. . . .

40 (16) Section 12, Chapter 616, Acts of the 61st
41 Legislature, Regular Session, 1969, details various

1 procedures regarding the attorney general's approval
2 of bond contracts and proceedings. The revised law
3 omits the portion of Section 12 regarding the
4 incontestability of a contract the proceeds of which
5 are pledged to the payment of a bond as impliedly
6 repealed by Section 1202.006, Government Code (enacted
7 as Section 3.002(d), Chapter 53, Acts of the 70th
8 Legislature, 2nd Called Session, 1987). Section
9 1202.006, Government Code, provides that after
10 approval and registration of the bond, the bond and
11 contract are incontestable for any reason. Section
12 1202.006 applies to district bonds by application of
13 Section 1202.001, Government Code. The omitted law
14 reads:

15 Sec. 12. . . . When any bonds recite
16 that they are secured partially or
17 otherwise by a pledge of the proceeds of a
18 contract or contracts made between the
19 district and another party or parties
20 (private or public) a copy of such contract
21 or contracts and the proceedings
22 authorizing the same may or may not be
23 submitted to the attorney general along
24 with the bond record and, if so submitted,
25 the approval by the attorney general of the
26 bonds shall constitute an approval of such
27 contract or contracts, and thereafter the
28 contract or contracts shall be
29 incontestable for any cause except for
30 forgery or fraud.

31 (17) Section 16, Chapter 616, Acts of the 61st
32 Legislature, Regular Session, 1969, provides that the
33 district may sell bonds at any price or on any terms,
34 except that the price may not be less than that
35 provided by law. The revised law omits that provision
36 because it duplicates Section 1204.006(b), Government
37 Code. Section 1204.006(b) provides that an issuer may
38 sell public securities at any price and applies to
39 district bonds by application of Section 1204.001,
40 Government Code. The omitted law reads:

41 Sec. 16. Bonds of the district may be
42 sold at a price and upon the terms
43 determined by the board of directors of the

1 district, except that such bonds shall not
2 be sold for a less amount than provided by
3 law. . . .

4 (18) Section 16, Chapter 616, Acts of the 61st
5 Legislature, Regular Session, 1969, provides that the
6 district may sell bonds only after soliciting bids.
7 The revised law omits that provision because it
8 duplicates, in substance, Section 49.183(a), Water
9 Code. The omitted law reads:

10 Sec. 16. . . . No bonds shall be sold
11 by the district until it has solicited bids
12 therefor.

13 (19) Section 17, Chapter 616, Acts of the 61st
14 Legislature, Regular Session, 1969, provides that
15 elections to authorize district bonds must be held
16 under applicable general law. Section 17 also
17 provides that if the first bond election fails, any
18 provision of the general law relating to the
19 dissolution of a district when a bond election fails
20 does not apply to the district. The revised law omits
21 the provision relating to the first bond election as
22 executed. The revised law omits the provision
23 requiring bond elections to be held under applicable
24 general law because the provision duplicates Section
25 49.101, Water Code. The omitted law reads:

26 Sec. 17. All elections to authorize
27 the issuance of bonds by the district shall
28 be held pursuant to the general law
29 applicable to water control and improvement
30 districts; provided, however, that if the
31 first bond election fails, Article
32 7880--77b, Vernon's Texas Civil Statutes,
33 or any other provision of the general law
34 pertaining to dissolution of the district
35 when a bond election fails, shall not apply.

36 (20) Section 19, Chapter 616, Acts of the 61st
37 Legislature, Regular Session, 1969, lists the entities
38 for which district bonds are legal investments and
39 provides that district bonds may secure deposits of
40 public funds of the state or political subdivisions.
41 The revised law omits the provision relating to the

1 eligibility of district bonds to be considered as
2 investments for various entities because it duplicates
3 Section 49.186(a), Water Code. The revised law omits
4 the provision relating to deposits of state funds by
5 the comptroller as impliedly repealed by Section
6 404.0221, Government Code (enacted in 1995), which
7 lists eligible collateral for deposits of state funds
8 by the comptroller. As to deposits of other funds, the
9 provision is impliedly repealed by Chapter 2257,
10 Government Code (enacted in 1989 as Article 2529d,
11 Vernon's Texas Civil Statutes), which governs eligible
12 collateral for deposits of funds of other public
13 agencies, including political subdivisions, and
14 permits those deposits to be secured by obligations
15 issued by conservation and reclamation districts. The
16 omitted law reads:

17 Sec. 19. All bonds and refunding
18 bonds of the district shall be and are
19 hereby declared to be legal, eligible and
20 authorized investments for banks, savings
21 and loan associations, insurance companies,
22 fiduciaries, and for the sinking funds of
23 cities, towns, villages, counties, school
24 districts, or other political corporations
25 or subdivisions of the State of Texas and
26 for all public funds of the State of Texas
27 or its agencies, including the State
28 Permanent School Fund. Such bonds and
29 refunding bonds shall be eligible to secure
30 the deposit of any and all public funds of
31 the State of Texas, cities, towns,
32 villages, counties, school districts, or
33 other political corporations or
34 subdivisions of the State of Texas; and such
35 bonds shall be lawful and sufficient
36 security for said deposits to the extent of
37 their face value, when accompanied by all
38 unmatured coupons appurtenant thereto.

39 Revisor's Note
40 (End of Chapter)

41 (1) Section 6, Chapter 616, Acts of the 61st
42 Legislature, Regular Session, 1969, provides that it
43 is not necessary for the board of directors to hold an
44 election to confirm the district's organization and
45 that the district is validly created from and after the

1 passage of that act. The revised law omits that
2 provision as executed. The omitted law reads:

3 Sec. 6. It shall not be necessary for
4 the board of directors to call or hold an
5 election to confirm the organization of the
6 district and such district shall be validly
7 created from and after the passage of this
8 Act.

9 (2) Section 7, Chapter 616, Acts of the 61st
10 Legislature, Regular Session, 1969, provides for the
11 exclusion of property from the district before the
12 first bond election is called. The revised law omits
13 that provision as executed because the district has
14 already issued bonds. The omitted law reads:

15 Sec. 7. It shall not be necessary for
16 the board of directors to call or hold a
17 hearing on the exclusions of land or other
18 property from the district; provided,
19 however, that the board shall hold such
20 hearing upon the written petition of any
21 landowner or other property owner within
22 the district filed with the secretary of the
23 board prior to the calling of the first bond
24 election for the district. The board may
25 act on said petition in the same manner that
26 it may act on a petition for the addition of
27 land under Article 7880--75, Vernon's Texas
28 Civil Statutes and no notice of hearing
29 shall be required. . . .

30 (3) Section 7, Chapter 616, Acts of the 61st
31 Legislature, Regular Session, 1969, provides that the
32 board may on its own motion hold a hearing on the
33 exclusion of property from the district in the manner
34 provided by general law. The revised law omits that
35 provision because it duplicates, in substance, Section
36 49.303(b), Water Code. The omitted law reads:

37 Sec. 7. . . . The board on its own
38 motion may call and hold an exclusions
39 hearing or hearings in the manner provided
40 by the general law.

41 (4) Section 18, Chapter 616, Acts of the 61st
42 Legislature, Regular Session, 1969, provides that the
43 board shall canvass the returns of all elections. The
44 revised law omits that requirement because it
45 duplicates Section 67.002, Election Code, which

1 requires the governing body of a political subdivision
2 that orders an election to canvass the returns.
3 Section 18 also provides that the board shall canvass
4 the election returns "as soon as reasonably
5 practicable after an election." The revised law omits
6 that provision as superseded by Section 67.003,
7 Election Code (enacted by Section 1, Chapter 211, Acts
8 of the 69th Legislature, Regular Session, 1985). The
9 omitted law reads:

10 Sec. 18. . . . The returns of all
11 elections shall be canvassed by the board of
12 directors of the district as soon as
13 reasonably practicable after an election.

14 (5) Section 22, Chapter 616, Acts of the 61st
15 Legislature, Regular Session, 1969, provides that the
16 act is severable. The revised law omits that provision
17 because it duplicates Section 311.032, Government Code
18 (Code Construction Act), which states that a provision
19 of a statute is severable from each other provision of
20 the statute that can be given effect. The omitted law
21 reads:

22 Sec. 22. If any word, phrase, clause,
23 paragraph, sentence, part, portion or
24 provision of this Act or the application
25 thereof to any person or circumstance shall
26 be held to be invalid or unconstitutional,
27 the remainder of the Act shall nevertheless
28 be valid, and the Legislature hereby
29 declares that this Act would have been
30 enacted without such invalid or
31 unconstitutional word, phrase, clause,
32 paragraph, sentence, part, portion or
33 provision.

34 (6) Section 23, Chapter 616, Acts of the 61st
35 Legislature, Regular Session, 1969, contains
36 legislative findings relating to the performance of
37 certain requirements under Section 59(d), Article XVI,
38 Texas Constitution. The revised law omits that
39 provision as executed. The omitted law reads:

40 Sec. 23. It is determined and found
41 that a proper and legal notice of the
42 intention to introduce this Act, setting
43 forth the general substance of this Act, has

1 been published at least 30 days and not more
2 than 90 days prior to the introduction of
3 this Act in the Legislature of Texas, in a
4 newspaper having general circulation in
5 Harris County, Texas; that a copy of such
6 notice and a copy of this Act have been
7 delivered to the Governor of Texas who has
8 submitted such notice and Act to the Texas
9 Water Rights Commission, and said Texas
10 Water Rights Commission has filed its
11 recommendation as to such Act with the
12 Governor, Lieutenant Governor and Speaker
13 of the House of Representatives of Texas
14 within 30 days from the date such notice and
15 Act were received by the Texas Water Rights
16 Commission; and that all the requirements
17 and provisions of Article XVI, Section
18 59(d), Constitution of the State of Texas
19 have been fulfilled and accomplished as
20 therein provided.

21 CHAPTER 8285. MALCOMSON ROAD UTILITY DISTRICT

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 8285.001. DEFINITIONS 1840
24 Sec. 8285.002. NATURE OF DISTRICT 1841
25 Sec. 8285.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1842
26 Sec. 8285.004. DISTRICT TERRITORY 1843

27 [Sections 8285.005-8285.050 reserved for expansion]

28 SUBCHAPTER B. BOARD OF DIRECTORS

29 Sec. 8285.051. COMPOSITION OF BOARD 1844

30 [Sections 8285.052-8285.100 reserved for expansion]

31 SUBCHAPTER C. POWERS AND DUTIES

32 Sec. 8285.101. MUNICIPAL UTILITY DISTRICT POWERS 1846

33 CHAPTER 8285. MALCOMSON ROAD UTILITY DISTRICT

34 SUBCHAPTER A. GENERAL PROVISIONS

35 Revised Law

36 Sec. 8285.001. DEFINITIONS. In this chapter:

- 37 (1) "Board" means the district's board of directors.
38 (2) "Director" means a member of the board.
39 (3) "District" means the Malcomson Road Utility

40 District. (Acts 62nd Leg., R.S., Ch. 658, Sec. 1 (part); New.)

41 Source Law

42 Sec. 1. . . . [a . . . district] . . . to be
43 known as Malcomson Road Utility District, hereinafter
44 called the "district,"

1 Revisor's Note

2 The definitions of "board" and "director" are
3 added to the revised law for drafting convenience and
4 to eliminate frequent, unnecessary repetition of the
5 substance of the definitions.

6 Revised Law

7 Sec. 8285.002. NATURE OF DISTRICT. The district is a
8 conservation and reclamation district in Harris County created
9 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
10 R.S., Ch. 658, Sec. 1 (part).)

11 Source Law

12 Sec. 1. . . . there is hereby created and
13 established, under and pursuant to the provisions of
14 Article XVI, Section 59 of the Constitution of Texas, a
15 conservation and reclamation district in Harris
16 County, Texas, . . . which shall be a governmental
17 agency and a body politic and corporate. . . .

18 Revisor's Note

19 (1) Section 1, Chapter 658, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that the
21 district is "created and established." The revised
22 law omits "established" because the meaning of that
23 word is included in the meaning of "created."

24 (2) Section 1, Chapter 658, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that the
26 district is created notwithstanding certain laws
27 relating to consent. The revised law omits that
28 provision as executed because the district has been
29 created. The omitted law reads:

30 Sec. 1. Notwithstanding provisions
31 of the general laws relating to consent by
32 political subdivisions for the creation of
33 conservation and reclamation districts,
34 [there is hereby created . . . a
35 conservation and reclamation district]
36

37 (3) Section 1, Chapter 658, Acts of the 62nd
38 Legislature, Regular Session, 1971, refers to the
39 district as "a governmental agency and a body politic
40 and corporate." The revised law omits the quoted

1 language because it duplicates a portion of Section
2 59(b), Article XVI, Texas Constitution, which provides
3 that a conservation and reclamation district is a
4 governmental agency and a body politic and corporate.

5 Revised Law

6 Sec. 8285.003. 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 boundaries
9 of the district will benefit from the works and projects
10 accomplished by the district under the powers conferred by Section
11 59, Article XVI, 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 62nd Leg., R.S., Ch. 658, Secs. 1 (part), 3.)

15 Source Law

16 Sec. 1. . . . The creation and establishment of
17 the district is hereby declared to be essential to the
18 accomplishment of the purposes of Article XVI, Section
19 59 of the Constitution of Texas.

20 Sec. 3. It is determined and found that all of
21 the land and other property included within the area
22 and boundaries of the district will be benefited by the
23 works and project which are to be accomplished by the
24 district pursuant to the powers conferred by the
25 provisions of Article XVI, Section 59 of the
26 Constitution of Texas, and that said district is
27 created to serve a public use and benefit.

28 Revisor's Note

29 (1) Section 1, Chapter 658, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 "creation and establishment" of the district are
32 essential to accomplish the purposes of Section 59,
33 Article XVI, Texas Constitution. The revised law
34 omits "establishment" because its meaning is included
35 in the meaning of "creation."

36 (2) Section 3, Chapter 658, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to land and
38 other property included within the "area and
39 boundaries of the district." The revised law omits the

1 reference to "area" because, in context, "area" is
2 included in the meaning of "boundaries."

3 Revised Law

4 Sec. 8285.004. DISTRICT TERRITORY. (a) The district is
5 composed of the territory described by Section 4, Chapter 658, Acts
6 of the 62nd Legislature, Regular Session, 1971, as that territory
7 may have been modified under:

8 (1) Subchapter H, Chapter 54, Water Code;

9 (2) Subchapter J, Chapter 49, Water Code; or

10 (3) other law.

11 (b) The boundaries and field notes of the district form a
12 closure. A mistake in copying the field notes in the legislative
13 process or another mistake in the field notes does not affect:

14 (1) the district's organization, existence, or
15 validity;

16 (2) the district's right to issue any type of bond for
17 a purpose for which the district is created or to pay the principal
18 of and interest on the bond;

19 (3) the district's right to impose a tax; or

20 (4) the legality or operation of the district or its
21 governing body. (Acts 62nd Leg., R.S., Ch. 658, Sec. 2; New.)

22 Source Law

23 Sec. 2. It is determined and found that the
24 boundaries and field notes of the district form a
25 closure. If any mistake is made in copying the field
26 notes in the legislative process or otherwise a
27 mistake is made in the field notes, it shall in no way
28 affect the organization, existence and validity of the
29 district, or the right of the district to issue any
30 type of bonds or refunding bonds for the purposes for
31 which the district is created or to pay the principal
32 and interest thereon, or the right to assess, levy and
33 collect taxes, or in any other manner affect the
34 legality or operation of the district or its governing
35 body.

36 Revisor's Note

37 (1) The revision of the law governing the
38 district does not revise the statutory language
39 describing the territory of the district to avoid the
40 lengthy recitation of the description and because that

1 description may not be accurate on the effective date
2 of the revision or at the time of a later reading. For
3 the reader's convenience, the revised law includes
4 references to the statutory description of the
5 district's territory and to the authority to change the
6 district's territory under Subchapter H, Chapter 54,
7 Water Code, applicable to municipal utility districts,
8 and under Subchapter J, Chapter 49, Water Code,
9 applicable to the district under Sections 49.001 and
10 49.002 of that chapter. The revised law also includes
11 a reference to the general authority of the
12 legislature to enact a law to change the district's
13 territory.

14 (2) Section 2, Chapter 658, Acts of the 62nd
15 Legislature, Regular Session, 1971, provides that a
16 mistake in the description of the district boundaries
17 does not affect the right of the district to issue "any
18 type of bonds or refunding bonds." The revised law
19 omits the reference to "refunding bonds" because
20 refunding bonds are included in the meaning of "any
21 type of bonds."

22 (3) Section 2, Chapter 658, Acts of the 62nd
23 Legislature, Regular Session, 1971, refers to the
24 district's authority to "assess, levy and collect"
25 taxes. The revised law substitutes "impose" for
26 "assess, levy and collect" because "impose" is the
27 term generally used in Title 1, Tax Code, and includes
28 the assessment, levy, and collection of a tax.

29 [Sections 8285.005-8285.050 reserved for expansion]

30 SUBCHAPTER B. BOARD OF DIRECTORS

31 Revised Law

32 Sec. 8285.051. COMPOSITION OF BOARD. The board of
33 directors is composed of five elected directors. (Acts 62nd Leg.,
34 R.S., Ch. 658, Sec. 6 (part).)

1 in that section. The revised law substitutes "five"
2 for "succeeding" to conform to the number of directors
3 listed in Section 6 (establishing the initial board).

4 (3) Section 6, Chapter 658, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides for
6 directors to be elected or appointed and to serve for
7 the term and in the manner provided by Chapter 54,
8 Water Code. Chapter 715, Acts of the 74th Legislature,
9 Regular Session, 1995, repealed the relevant
10 provisions of Chapter 54 and enacted similar
11 provisions in Chapter 49, Water Code, including
12 Section 49.103, which governs the terms of office and
13 manner of election of directors of a municipal utility
14 district that is required by law to elect its
15 directors. The revised law omits any reference to
16 Chapter 49, Water Code, because Chapter 49 applies to
17 the district under Sections 49.001 and 49.002 of that
18 chapter. The revised law also omits "appointed"
19 because it is clear from the context of Section 6 that
20 the reference applies only to directors appointed to
21 fill vacancies as provided by Chapter 49, Water Code.
22 The omitted law reads:

23 Sec. 6. . . . [Succeeding directors
24 shall be elected or] appointed and shall
25 serve for the term and in the manner
26 provided by Chapter 54, Title 4, Water Code,
27 for directors first elected.

28 [Sections 8285.052-8285.100 reserved for expansion]

29 SUBCHAPTER C. POWERS AND DUTIES

30 Revised Law

31 Sec. 8285.101. MUNICIPAL UTILITY DISTRICT POWERS. The
32 district has the rights, powers, privileges, and functions
33 conferred by general law applicable to a municipal utility
34 district, including Chapters 49 and 54, Water Code. (Acts 62nd
35 Leg., R.S., Ch. 658, Sec. 5 (part); New.)

1 Regular Session, 1995, repealed many provisions of
2 Chapter 54 and enacted similar provisions in Chapter
3 49, Water Code, which applies to the district under
4 Sections 49.001 and 49.002 of that chapter.

5 (5) Section 5, Chapter 658, Acts of the 62nd
6 Legislature, Regular Session, 1971, provides that the
7 act prevails over general law in case of a conflict or
8 other inconsistency and that all general laws
9 applicable to municipal utility districts not in
10 conflict or inconsistent with the provisions of the
11 act are adopted and incorporated by reference. The
12 revised law omits the portion of the provision
13 relating to the act prevailing over general law
14 because it duplicates in substance Section 311.026(b),
15 Government Code (Code Construction Act). The revised
16 law omits the portion of the provision relating to
17 adoption and incorporation of general laws because
18 Section 5 of Chapter 658 (revised as this section)
19 already provides that those laws apply to the
20 district, and it is unnecessary to repeat that
21 authority. The omitted law reads:

22 Sec. 5. . . . if any provision of
23 such general laws shall be in conflict or
24 inconsistent with the provisions of this
25 Act, the provisions of this Act shall
26 prevail. All such general laws applicable
27 to municipal utility districts not in
28 conflict or inconsistent with the
29 provisions of this Act are hereby adopted
30 and incorporated by reference with the same
31 effect as if copied in full in this Act.

32 Revisor's Note
33 (End of Chapter)

34 (1) Section 7, Chapter 658, Acts of the 62nd
35 Legislature, Regular Session, 1971, contains
36 legislative findings relating to the performance of
37 the requirements of Section 59(d), Article XVI, Texas
38 Constitution, and to the authority of the legislature
39 to enact that chapter. The revised law omits the

1 provision as executed. The omitted law reads:

2 Sec. 7. The Legislature specifically
3 finds and declares that the requirements of
4 Article XVI, Section 59(d) of the
5 Constitution of Texas have been performed
6 and accomplished in due course and time and
7 order, and that the Legislature has the
8 power and authority to enact this Act.

9 (2) Section 8, Chapter 658, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that the
11 act is severable. The revised law omits that provision
12 because it duplicates Section 311.032, Government Code
13 (Code Construction Act), which provides that a
14 provision of a statute is severable from each other
15 provision of the statute that can be given effect. The
16 omitted law reads:

17 Sec. 8. If any word, phrase, clause,
18 paragraph, sentence, part, portion or
19 provision of this Act or the application
20 thereof to any person or circumstance shall
21 be held to be invalid or unconstitutional,
22 the remainder of the Act shall nevertheless
23 be valid and the Legislature hereby
24 declares that this Act would have been
25 enacted without such invalid or
26 unconstitutional word, phrase, clause,
27 paragraph, sentence, part, portion or
28 provision.

29 CHAPTER 8286. MASON CREEK UTILITY DISTRICT

30 SUBCHAPTER A. GENERAL PROVISIONS

31 Sec. 8286.001. DEFINITIONS 1850
32 Sec. 8286.002. NATURE OF DISTRICT 1850
33 Sec. 8286.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1851
34 Sec. 8286.004. DISTRICT TERRITORY 1852

35 [Sections 8286.005-8286.050 reserved for expansion]

36 SUBCHAPTER B. BOARD OF DIRECTORS

37 Sec. 8286.051. COMPOSITION OF BOARD 1854

38 [Sections 8286.052-8286.100 reserved for expansion]

39 SUBCHAPTER C. POWERS AND DUTIES

40 Sec. 8286.101. MUNICIPAL UTILITY DISTRICT POWERS 1856

41 CHAPTER 8286. MASON CREEK UTILITY DISTRICT

42 SUBCHAPTER A. GENERAL PROVISIONS

1 Revised Law

2 Sec. 8286.001. DEFINITIONS. In this chapter:

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

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

5 (3) "District" means the Mason Creek Utility District.

6 (Acts 62nd Leg., R.S., Ch. 664, Sec. 1 (part); New.)

7 Source Law

8 Sec. 1. . . . [a . . . district] . . . to be
9 known as "Mason Creek Utility District," hereinafter
10 called the "district,"

11 Revisor's Note

12 The definitions of "board" and "director" are
13 added to the revised law for drafting convenience and
14 to eliminate frequent, unnecessary repetition of the
15 substance of the definitions.

16 Revised Law

17 Sec. 8286.002. 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 62nd
20 Leg., R.S., Ch. 664, Sec. 1 (part).)

21 Source Law

22 Sec. 1. . . . there is hereby created and
23 established, under and pursuant to the provisions of
24 Article XVI, Section 59 of the Constitution of Texas, a
25 conservation and reclamation district in Harris
26 County, Texas, . . . which shall be a governmental
27 agency and a body politic and corporate. . . .

28 Revisor's Note

29 (1) Section 1, Chapter 664, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 district is "created and established." The revised
32 law omits "established" because the meaning of that
33 word is included in the meaning of "created."

34 (2) Section 1, Chapter 664, Acts of the 62nd
35 Legislature, Regular Session, 1971, provides that the
36 district is created notwithstanding certain laws
37 relating to consent. The revised law omits that
38 provision as executed because the district has been

1 created. The omitted law reads:

2 Sec. 1. Notwithstanding provisions
3 of the general laws relating to consent by
4 political subdivisions for the creation of
5 conservation and reclamation districts,
6 [there is hereby created . . . a
7 conservation and reclamation district]
8

9 (3) Section 1, Chapter 664, Acts of the 62nd
10 Legislature, Regular Session, 1971, refers to the
11 district as "a governmental agency and a body politic
12 and corporate." The revised law omits the quoted
13 language because it duplicates a portion of Section
14 59(b), Article XVI, Texas Constitution, which provides
15 that a conservation and reclamation district is a
16 governmental agency and a body politic and corporate.

17 Revised Law

18 Sec. 8286.003. 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. (Acts
26 62nd Leg., R.S., Ch. 664, Secs. 1 (part), 3.)

27 Source Law

28 Sec. 1. . . . The creation and establishment of
29 the district is hereby declared to be essential to the
30 accomplishment of the purposes of Article XVI, Section
31 59 of the Constitution of Texas.

32 Sec. 3. It is determined and found that all of
33 the land and other property included within the area
34 and boundaries of the district will be benefited by the
35 works and project which are to be accomplished by the
36 district pursuant to the powers conferred by the
37 provisions of Article XVI, Section 59 of the
38 Constitution of Texas, and that said district is
39 created to serve a public use and benefit.

40 Revisor's Note

41 (1) Section 1, Chapter 664, Acts of the 62nd
42 Legislature, Regular Session, 1971, provides that the

1 "creation and establishment" of the district are
2 essential to accomplish the purposes of Section 59,
3 Article XVI, Texas Constitution. The revised law
4 omits "establishment" because its meaning is included
5 in the meaning of "creation."

6 (2) Section 3, Chapter 664, Acts of the 62nd
7 Legislature, Regular Session, 1971, refers to land and
8 other property included within the "area and
9 boundaries of the district." The revised law omits the
10 reference to "area" because, in context, "area" is
11 included in the meaning of "boundaries."

12 Revised Law

13 Sec. 8286.004. DISTRICT TERRITORY. (a) The district is
14 composed of the territory described by Section 4, Chapter 664, Acts
15 of the 62nd Legislature, Regular Session, 1971, as that territory
16 may have been modified under:

- 17 (1) Subchapter H, Chapter 54, Water Code;
18 (2) Subchapter J, Chapter 49, Water Code; or
19 (3) other law.

20 (b) The boundaries and field notes of the district form a
21 closure. A mistake in copying the field notes in the legislative
22 process or another mistake in the field notes does not affect:

- 23 (1) the district's organization, existence, or
24 validity;
25 (2) the district's right to issue any type of bond for
26 the purpose for which the district is created or to pay the
27 principal of and interest on the bond;
28 (3) the district's right to impose a tax; or
29 (4) the legality or operation of the district or its
30 governing body. (Acts 62nd Leg., R.S., Ch. 664, Sec. 2; New.)

31 Source Law

32 Sec. 2. It is determined and found that the
33 boundaries and field notes of the district form a
34 closure. If any mistake is made in copying the field
35 notes in the legislative process or otherwise a
36 mistake is made in the field notes, it shall in no way
37 affect the organization, existence and validity of the

1 district, or the right of the district to issue any
2 type of bonds or refunding bonds for the purpose for
3 which the district is created or to pay the principal
4 and interest thereon, or the right to assess, levy and
5 collect taxes, or in any other manner affect the
6 legality or operation of the district or its governing
7 body.

8 Revisor's Note

9 (1) The revision of the law governing the
10 district does not revise the statutory language
11 describing the territory of the district to avoid the
12 lengthy recitation of the description and because that
13 description may not be accurate on the effective date
14 of the revision or at the time of a later reading. For
15 the reader's convenience, the revised law includes
16 references to the statutory description of the
17 district's territory and to the authority to change the
18 district's territory under Subchapter H, Chapter 54,
19 Water Code, applicable to municipal utility districts,
20 and under Subchapter J, Chapter 49, Water Code,
21 applicable to the district under Sections 49.001 and
22 49.002 of that chapter. The revised law also includes
23 a reference to the general authority of the
24 legislature to enact a law to change the district's
25 territory.

26 (2) Section 2, Chapter 664, Acts of the 62nd
27 Legislature, Regular Session, 1971, provides that a
28 mistake in the description of the district boundaries
29 does not affect the right of the district to issue "any
30 type of bonds or refunding bonds." The revised law
31 omits the reference to "refunding bonds" because
32 refunding bonds are included in the meaning of "any
33 type of bonds."

34 (3) Section 2, Chapter 664, Acts of the 62nd
35 Legislature, Regular Session, 1971, refers to the
36 district's authority to "assess, levy and collect"
37 taxes. The revised law substitutes "impose" for
38 "assess, levy and collect" because "impose" is the

1 term generally used in Title 1, Tax Code, and includes
2 the assessment, levy, and collection of a tax.

3 [Sections 8286.005-8286.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Revised Law

6 Sec. 8286.051. COMPOSITION OF BOARD. The board of
7 directors is composed of five elected directors. (Acts 62nd Leg.,
8 R.S., Ch. 664, Sec. 6 (part).)

9 Source Law

10 Sec. 6. . . . Succeeding directors shall be
11 elected or

12 Revisor's Note

13 (1) Section 6, Chapter 664, Acts of the 62nd
14 Legislature, Regular Session, 1971, refers to the
15 initial board of directors and to vacancy procedures.
16 The revised law omits the language relating to the
17 creation of the initial board as executed. The revised
18 law omits the language relating to vacancy procedures
19 for the initial board as executed and, to the extent
20 the language may apply to subsequently appointed
21 directors, because it duplicates in substance Section
22 49.105(c), Water Code. That section applies to the
23 district under Sections 49.001 and 49.002, Water Code.
24 The omitted law reads:

25 Sec. 6. Immediately after this Act
26 becomes effective, the following named
27 persons shall be the directors of the
28 district and shall constitute the board of
29 directors of the district:

30 Henry C. King
31 W. H. McDonald
32 Charles N. Noble
33 T. D. Smith
34 Michael Kickerillo

35 Said persons shall qualify to serve as
36 directors prior to the first meeting of the
37 board of directors. Should any of the above
38 named directors fail to qualify for any
39 reason, the remaining named directors shall
40 appoint someone to fill such vacancy or
41 vacancies; provided, however, that if at
42 any time the number of qualified directors
43 shall be less than three because of the
44 failure or refusal of one or more directors
45 to qualify or serve or because of his or

1 their death or incapacitation, or for any
2 such other reason, the Texas Water Rights
3 Commission shall appoint the necessary
4 number of directors to fill all vacancies on
5 the board. The directors above named or
6 their duly appointed and qualified
7 successor or successors shall serve until
8 the second Saturday in January, 1973. . . .

9 (2) Section 6, Chapter 664, Acts of the 62nd
10 Legislature, Regular Session, 1971, refers to
11 "[s]ucceeding directors" to distinguish the
12 succeeding directors from the initial directors named
13 in that section. The revised law substitutes "five"
14 for "succeeding" to conform to the number of directors
15 listed in Section 6 (establishing the initial board).

16 (3) Section 6, Chapter 664, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides for
18 directors to be elected or appointed and to serve for
19 the term and in the manner provided by Chapter 54,
20 Water Code. Chapter 715, Acts of the 74th Legislature,
21 Regular Session, 1995, repealed the relevant
22 provisions of Chapter 54 and enacted similar
23 provisions in Chapter 49, Water Code, including
24 Section 49.103, which governs the terms of office and
25 manner of election of directors of a municipal utility
26 district that is required by law to elect its
27 directors. The revised law omits any reference to
28 Chapter 49, Water Code, because Chapter 49 applies to
29 the district under Sections 49.001 and 49.002 of that
30 chapter. The revised law also omits "appointed"
31 because it is clear from the context of Section 6 that
32 the reference applies only to directors appointed to
33 fill vacancies as provided by Chapter 49, Water Code.
34 The omitted law reads:

35 Sec. 6. . . . [Succeeding directors
36 shall be elected or] appointed and shall
37 serve for the term and in the manner
38 provided by Chapter 54, Title 4, Water Code,
39 for directors first elected.

40 [Sections 8286.052-8286.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 8286.101. MUNICIPAL UTILITY DISTRICT POWERS. The
4 district has the rights, powers, privileges, and functions
5 conferred by general law applicable to a municipal utility
6 district, including Chapters 49 and 54, Water Code. (Acts 62nd
7 Leg., R.S., Ch. 664, Sec. 5 (part); New.)

8 Source Law

9 Sec. 5. The district is hereby vested with, and
10 shall have and exercise, all of the rights, powers,
11 privileges, authority and functions conferred by the
12 general laws of this state applicable to municipal
13 utility districts, including without limitation those
14 conferred by Chapter 54, Title 4, Water Code, but
15

16 Revisor's Note

17 (1) Section 5, Chapter 664, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 district "is hereby vested with, and shall have and
20 exercise" certain powers. The revised law substitutes
21 "has" for the quoted language because, in context, the
22 terms are synonymous and "has" is more commonly used.

23 (2) Section 5, Chapter 664, Acts of the 62nd
24 Legislature, Regular Session, 1971, refers to the
25 "rights, powers, privileges, [and] authority" of the
26 district. The revised law omits the reference to
27 "authority" because, in context, "authority" is
28 included in the meaning of "rights, powers, [and]
29 privileges."

30 (3) Section 5, Chapter 664, Acts of the 62nd
31 Legislature, Regular Session, 1971, grants the
32 district certain powers, "including without
33 limitation those conferred by Chapter 54, Title 4,
34 Water Code." The revised law omits "without
35 limitation" because Section 311.005(13), Government
36 Code (Code Construction Act), provides that "includes"
37 and "including" are terms of enlargement and not of

1 limitation and do not create a presumption that
2 components not expressed are excluded.

3 (4) Section 5, Chapter 664, Acts of the 62nd
4 Legislature, Regular Session, 1971, refers to Chapter
5 54, Water Code. For the reader's convenience, the
6 revised law adds a reference to Chapter 49, Water Code,
7 because Chapter 715, Acts of the 74th Legislature,
8 Regular Session, 1995, repealed many provisions of
9 Chapter 54 and enacted similar provisions in Chapter
10 49, Water Code, which applies to the district under
11 Sections 49.001 and 49.002 of that chapter.

12 (5) Section 5, Chapter 664, Acts of the 62nd
13 Legislature, Regular Session, 1971, provides that the
14 act prevails over general law in case of a conflict or
15 other inconsistency and that all general laws
16 applicable to municipal utility districts not in
17 conflict or inconsistent with the provisions of the
18 act are adopted and incorporated by reference. The
19 revised law omits the portion of the provision
20 relating to the act prevailing over general law
21 because it duplicates in substance Section 311.026(b),
22 Government Code (Code Construction Act). The revised
23 law omits the portion of the provision relating to
24 adoption and incorporation of general laws because
25 Section 5 of Chapter 664 (revised as this section)
26 already provides that those laws apply to the
27 district, and it is unnecessary to repeat that
28 authority. The omitted law reads:

29 Sec. 5. . . . if any provision of
30 such general laws shall be in conflict or
31 inconsistent with the provisions of this
32 Act, the provisions of this Act shall
33 prevail. All such general laws applicable
34 to municipal utility districts not in
35 conflict or inconsistent with the
36 provisions of this Act are hereby adopted
37 and incorporated by reference with the same
38 effect as if copied in full in this Act.

1 Revisor's Note
2 (End of Chapter)

3 (1) Section 7, Chapter 664, Acts of the 62nd
4 Legislature, Regular Session, 1971, contains
5 legislative findings relating to the performance of
6 the requirements of Section 59(d), Article XVI, Texas
7 Constitution, and to the authority of the legislature
8 to enact that chapter. The revised law omits the
9 provision as executed. The omitted law reads:

10 Sec. 7. The Legislature specifically
11 finds and declares that the requirements of
12 Article XVI, Section 59(d) of the
13 Constitution of Texas have been performed
14 and accomplished in due course and time and
15 order, and that the Legislature has the
16 power and authority to enact this Act.

17 (2) Section 8, Chapter 664, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 act is severable. The revised law omits that provision
20 because it duplicates Section 311.032, Government Code
21 (Code Construction Act), which provides that a
22 provision of a statute is severable from each other
23 provision of the statute that can be given effect. The
24 omitted law reads:

25 Sec. 8. If any word, phrase, clause,
26 paragraph, sentence, part, portion, or
27 provision of this Act or the application
28 thereof to any person or circumstance shall
29 be held to be invalid or unconstitutional,
30 the remainder of this Act shall
31 nevertheless be valid and the Legislature
32 hereby declares that this Act would have
33 been enacted without such invalid or
34 unconstitutional word, phrase, clause,
35 paragraph, sentence, part, portion, or
36 provision.

37 CHAPTER 8287. MONTGOMERY COUNTY UTILITY DISTRICT NO. 2

38 SUBCHAPTER A. GENERAL PROVISIONS

39 Sec. 8287.001. DEFINITIONS 1859
40 Sec. 8287.002. NATURE OF DISTRICT 1859
41 Sec. 8287.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1860
42 Sec. 8287.004. DISTRICT TERRITORY 1861

43 [Sections 8287.005-8287.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 8287.051. COMPOSITION OF BOARD 1863

3 [Sections 8287.052-8287.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 8287.101. MUNICIPAL UTILITY DISTRICT POWERS 1865

6 CHAPTER 8287. MONTGOMERY COUNTY UTILITY DISTRICT NO. 2

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Revised Law

9 Sec. 8287.001. DEFINITIONS. In this chapter:

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

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

12 (3) "District" means the Montgomery County Utility
13 District No. 2. (Acts 62nd Leg., R.S., Ch. 635, Sec. 1 (part);
14 New.)

15 Source Law

16 Sec. 1. . . . [a . . . district] . . . to be
17 known as "Montgomery County Utility District No. 2,"
18 hereinafter called the "district,"

19 Revisor's Note

20 The definitions of "board" and "director" are
21 added to the revised law for drafting convenience and
22 to eliminate frequent, unnecessary repetition of the
23 substance of the definitions.

24 Revised Law

25 Sec. 8287.002. NATURE OF DISTRICT. The district is a
26 conservation and reclamation district in Montgomery County created
27 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
28 R.S., Ch. 635, Sec. 1 (part).)

29 Source Law

30 Sec. 1. . . . there is hereby created and
31 established, under and pursuant to the provisions of
32 Article XVI, Section 59 of the Constitution of Texas, a
33 conservation and reclamation district in Montgomery
34 County, Texas, . . . which shall be a governmental
35 agency and a body politic and corporate. . . .

36 Revisor's Note

37 (1) Section 1, Chapter 635, Acts of the 62nd
38 Legislature, Regular Session, 1971, provides that the

1 district is "created and established." The revised
2 law omits "established" because the meaning of that
3 word is included in the meaning of "created."

4 (2) Section 1, Chapter 635, Acts of the 62nd
5 Legislature, Regular Session, 1971, provides that the
6 district is created notwithstanding certain laws
7 relating to consent. The revised law omits that
8 provision as executed because the district has been
9 created. The omitted law reads:

10 Sec. 1. Notwithstanding provisions
11 of the general laws relating to consent by
12 political subdivisions for the creation of
13 conservation and reclamation districts,
14 [there is hereby created . . . a
15 conservation and reclamation district]
16

17 (3) Section 1, Chapter 635, Acts of the 62nd
18 Legislature, Regular Session, 1971, refers to the
19 district as "a governmental agency and a body politic
20 and corporate." The revised law omits the quoted
21 language because it duplicates a portion of Section
22 59(b), Article XVI, Texas Constitution, which provides
23 that a conservation and reclamation district is a
24 governmental agency and a body politic and corporate.

25 Revised Law

26 Sec. 8287.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
27 The district is created to serve a public use and benefit.

28 (b) All land and other property included in the boundaries
29 of the district will benefit from the works and projects
30 accomplished by the district under the powers conferred by Section
31 59, Article XVI, Texas Constitution.

32 (c) The creation of the district is essential to accomplish
33 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
34 62nd Leg., R.S., Ch. 635, Secs. 1 (part), 3.)

35 Source Law

36 Sec. 1. . . . The creation and establishment of
37 the district is hereby declared to be essential to the
38 accomplishment of the purposes of Article XVI, Section
39 59 of the Constitution of Texas.

- 1 (3) the district's right to impose a tax; or
2 (4) the legality or operation of the district or its
3 governing body. (Acts 62nd Leg., R.S., Ch. 635, Sec. 2; New.)

4 Source Law

5 Sec. 2. It is determined and found that the
6 boundaries and field notes of the district form a
7 closure. If any mistake is made in copying the field
8 notes in the legislative process or otherwise a
9 mistake is made in the field notes, it shall in no way
10 affect the organization, existence and validity of the
11 district, or the right of the district to issue any
12 type of bonds or refunding bonds for the purposes for
13 which the district is created or to pay the principal
14 and interest thereon, or the right to assess, levy and
15 collect taxes, or in any other manner affect the
16 legality or operation of the district or its governing
17 body.

18 Revisor's Note

19 (1) The revision of the law governing the
20 district does not revise the statutory language
21 describing the territory of the district to avoid the
22 lengthy recitation of the description and because that
23 description may not be accurate on the effective date
24 of the revision or at the time of a later reading. For
25 the reader's convenience, the revised law includes
26 references to the statutory description of the
27 district's territory and to the authority to change the
28 district's territory under Subchapter H, Chapter 54,
29 Water Code, applicable to municipal utility districts,
30 and under Subchapter J, Chapter 49, Water Code,
31 applicable to the district under Sections 49.001 and
32 49.002 of that chapter. The revised law also includes
33 a reference to the general authority of the
34 legislature to enact a law to change the district's
35 territory.

36 (2) Section 2, Chapter 635, Acts of the 62nd
37 Legislature, Regular Session, 1971, provides that a
38 mistake in the description of the district boundaries
39 does not affect the right of the district to issue "any
40 type of bonds or refunding bonds." The revised law

1 omits the reference to "refunding bonds" because
2 refunding bonds are included in the meaning of "any
3 type of bonds."

4 (3) Section 2, Chapter 635, Acts of the 62nd
5 Legislature, Regular Session, 1971, refers to the
6 district's authority to "assess, levy and collect"
7 taxes. The revised law substitutes "impose" for
8 "assess, levy and collect" because "impose" is the
9 term generally used in Title 1, Tax Code, and includes
10 the assessment, levy, and collection of a tax.

11 [Sections 8287.005-8287.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Revised Law

14 Sec. 8287.051. COMPOSITION OF BOARD. The board of
15 directors is composed of five elected directors. (Acts 62nd Leg.,
16 R.S., Ch. 635, Sec. 6 (part).)

17 Source Law

18 Sec. 6. . . . Succeeding directors shall be
19 elected or

20 Revisor's Note

21 (1) Section 6, Chapter 635, Acts of the 62nd
22 Legislature, Regular Session, 1971, refers to the
23 initial board of directors and to vacancy procedures.
24 The revised law omits the language relating to the
25 creation of the initial board as executed. The revised
26 law omits the language relating to vacancy procedures
27 for the initial board as executed and, to the extent
28 the language may apply to subsequently appointed
29 directors, because it duplicates in substance Section
30 49.105(c), Water Code. That section applies to the
31 district under Sections 49.001 and 49.002, Water Code.
32 The omitted law reads:

33 Sec. 6. Immediately after this Act
34 becomes effective, the following named
35 persons shall be the directors of the
36 district and shall constitute the board of
37 directors of the district:

1 J. W. Lander
2 George A. DeMontron, Jr.
3 F. W. Head
4 Ed Clarkson
5 William H. Naylor

6 Said persons shall qualify to serve as
7 directors prior to the first meeting of the
8 board of directors. Should any of the above
9 named directors fail to qualify for any
10 reason, the remaining named directors shall
11 appoint someone to fill such vacancy or
12 vacancies; provided, however, that if at
13 any time the number of qualified directors
14 shall be less than three because of the
15 failure or refusal of one or more directors
16 to qualify or serve or because of his or
17 their death or incapacitation, or for any
18 such other reason, the Texas Water Rights
19 Commission shall appoint the necessary
20 number of directors to fill all vacancies on
21 the board. The directors above named or
22 their duly appointed and qualified
23 successor or successors shall serve until
24 the second Saturday in January, 1973. . . .

25 (2) Section 6, Chapter 635, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to
27 "[s]ucceeding directors" to distinguish the
28 succeeding directors from the initial directors named
29 in that section. The revised law substitutes "five"
30 for "succeeding" to conform to the number of directors
31 listed in Section 6 (establishing the initial board).

32 (3) Section 6, Chapter 635, Acts of the 62nd
33 Legislature, Regular Session, 1971, provides for
34 directors to be elected or appointed and to serve for
35 the term and in the manner provided by Chapter 54,
36 Water Code. Chapter 715, Acts of the 74th Legislature,
37 Regular Session, 1995, repealed the relevant
38 provisions of Chapter 54 and enacted similar
39 provisions in Chapter 49, Water Code, including
40 Section 49.103, which governs the terms of office and
41 manner of election of directors of a municipal utility
42 district that is required by law to elect its
43 directors. The revised law omits any reference to
44 Chapter 49, Water Code, because Chapter 49 applies to
45 the district under Sections 49.001 and 49.002 of that
46 chapter. The revised law also omits "appointed"

1 because it is clear from the context of Section 6 that
2 the reference applies only to directors appointed to
3 fill vacancies as provided by Chapter 49, Water Code.
4 The omitted law reads:

5 Sec. 6. . . . [Succeeding directors
6 shall be elected or] appointed and shall
7 serve for the term and in the manner
8 provided by Chapter 54, Title 4, Water Code.

9 [Sections 8287.052-8287.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Revised Law

12 Sec. 8287.101. MUNICIPAL UTILITY DISTRICT POWERS. The
13 district has the rights, powers, privileges, and functions
14 conferred by general law applicable to a municipal utility
15 district, including Chapters 49 and 54, Water Code. (Acts 62nd
16 Leg., R.S., Ch. 635, Sec. 5 (part); New.)

17 Source Law

18 Sec. 5. The district is hereby vested with, and
19 shall have and exercise, all of the rights, powers,
20 privileges, authority and functions conferred by the
21 general laws of this state applicable to municipal
22 utility districts, including without limitation those
23 conferred by Chapter 54, Title 4, Water Code, but
24

25 Revisor's Note

26 (1) Section 5, Chapter 635, Acts of the 62nd
27 Legislature, Regular Session, 1971, provides that the
28 district "is hereby vested with, and shall have and
29 exercise" certain powers. The revised law substitutes
30 "has" for the quoted language because, in context, the
31 terms are synonymous and "has" is more commonly used.

32 (2) Section 5, Chapter 635, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to the
34 "rights, powers, privileges, [and] authority" of the
35 district. The revised law omits the reference to
36 "authority" because, in context, "authority" is
37 included in the meaning of "rights, powers, [and]
38 privileges."

39 (3) Section 5, Chapter 635, Acts of the 62nd

1 Legislature, Regular Session, 1971, grants the
2 district certain powers, "including without
3 limitation those conferred by Chapter 54, Title 4,
4 Water Code." The revised law omits "without
5 limitation" because Section 311.005(13), Government
6 Code (Code Construction Act), provides that "includes"
7 and "including" are terms of enlargement and not of
8 limitation and do not create a presumption that
9 components not expressed are excluded.

10 (4) Section 5, Chapter 635, Acts of the 62nd
11 Legislature, Regular Session, 1971, refers to Chapter
12 54, Water Code. For the reader's convenience, the
13 revised law adds a reference to Chapter 49, Water Code,
14 because Chapter 715, Acts of the 74th Legislature,
15 Regular Session, 1995, repealed many provisions of
16 Chapter 54 and enacted similar provisions in Chapter
17 49, Water Code, which applies to the district under
18 Sections 49.001 and 49.002 of that chapter.

19 (5) Section 5, Chapter 635, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that the
21 act prevails over general law in case of a conflict or
22 other inconsistency and that all general laws
23 applicable to municipal utility districts not in
24 conflict or inconsistent with the provisions of the
25 act are adopted and incorporated by reference. The
26 revised law omits the portion of the provision
27 relating to the act prevailing over general law
28 because it duplicates in substance Section 311.026(b),
29 Government Code (Code Construction Act). The revised
30 law omits the portion of the provision relating to
31 adoption and incorporation of general laws because
32 Section 5 of Chapter 635 (revised as this section)
33 already provides that those laws apply to the
34 district, and it is unnecessary to repeat that

1 authority. The omitted law reads:

2 Sec. 5. . . . if any provision of
3 such general laws shall be in conflict or
4 inconsistent with the provisions of this
5 Act, the provisions of this Act shall
6 prevail. All such general laws applicable
7 to municipal utility districts not in
8 conflict or inconsistent with the
9 provisions of this Act are hereby adopted
10 and incorporated by reference with the same
11 effect as if copied in full in this Act.

12 Revisor's Note
13 (End of Chapter)

14 (1) Section 7, Chapter 635, Acts of the 62nd
15 Legislature, Regular Session, 1971, contains
16 legislative findings relating to the performance of
17 the requirements of Section 59(d), Article XVI, Texas
18 Constitution, and to the authority of the legislature
19 to enact that chapter. The revised law omits the
20 provision as executed. The omitted law reads:

21 Sec. 7. The Legislature specifically
22 finds and declares that the requirements of
23 Article XVI, Section 59(d) of the
24 Constitution of Texas have been performed
25 and accomplished in due course and time and
26 order, and that the Legislature has the
27 power and authority to enact this Act.

28 (2) Section 8, Chapter 635, Acts of the 62nd
29 Legislature, Regular Session, 1971, provides that the
30 act is severable. The revised law omits that provision
31 because it duplicates Section 311.032, Government Code
32 (Code Construction Act), which provides that a
33 provision of a statute is severable from each other
34 provision of the statute that can be given effect. The
35 omitted law reads:

36 Sec. 8. If any word, phrase, clause,
37 paragraph, sentence, part, portion or
38 provision of this Act or the application
39 thereof to any persons or circumstances
40 shall be held to be invalid or
41 unconstitutional, the remainder of the Act
42 shall nevertheless be valid and the
43 Legislature hereby declares that this Act
44 would have been enacted without such
45 invalid or unconstitutional word, phrase,
46 clause, paragraph, sentence, part, portion
47 or provision.

1	CHAPTER 8288. MEEKER MUNICIPAL WATER DISTRICT	
2	SUBCHAPTER A. GENERAL PROVISIONS	
3	Sec. 8288.001. DEFINITIONS	1869
4	Sec. 8288.002. NATURE OF DISTRICT	1870
5	Sec. 8288.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . .	1870
6	Sec. 8288.004. LIBERAL CONSTRUCTION OF CHAPTER	1871
7	Sec. 8288.005. DISTRICT TERRITORY	1872
8	[Sections 8288.006-8288.050 reserved for expansion]	
9	SUBCHAPTER B. BOARD OF DIRECTORS	
10	Sec. 8288.051. COMPOSITION OF BOARD; TERMS	1874
11	Sec. 8288.052. QUALIFICATIONS FOR OFFICE	1876
12	Sec. 8288.053. BOARD RESOLUTIONS; VOTING REQUIREMENTS . . .	1877
13	Sec. 8288.054. OFFICERS AND ASSISTANTS	1877
14	Sec. 8288.055. OFFICER DUTIES	1878
15	Sec. 8288.056. MEETINGS	1879
16	[Sections 8288.057-8288.100 reserved for expansion]	
17	SUBCHAPTER C. POWERS AND DUTIES	
18	Sec. 8288.101. DISTRICT POWERS	1881
19	Sec. 8288.102. GENERAL POWERS REGARDING WATER	1887
20	Sec. 8288.103. GENERAL POWERS REGARDING WASTE	1888
21	Sec. 8288.104. GENERAL POWERS REGARDING GARBAGE	
22	COLLECTION AND DISPOSAL	1888
23	Sec. 8288.105. GENERAL CONTRACT POWERS	1889
24	Sec. 8288.106. AUTHORITY OF PUBLIC AGENCIES AND	
25	POLITICAL SUBDIVISIONS TO CONTRACT	
26	WITH DISTRICT	1891
27	Sec. 8288.107. CONVEYANCE OF PROPERTY TO DISTRICT	1891
28	Sec. 8288.108. ACQUISITION OF EXISTING FACILITIES	1892
29	Sec. 8288.109. EMINENT DOMAIN	1892
30	Sec. 8288.110. COST OF RELOCATING OR ALTERING	
31	PROPERTY; RIGHTS-OF-WAY AND EASEMENTS . .	1894
32	[Sections 8288.111-8288.150 reserved for expansion]	

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 8288.151. IMPOSITION OF MAINTENANCE TAX;
3 PROHIBITION ON OTHER TAXES OR
4 ASSESSMENTS 1897
5 Sec. 8288.152. ELECTION TO IMPOSE TAX 1898
6 Sec. 8288.153. DEPOSITORY 1900
7 Sec. 8288.154. INVESTMENT OF DISTRICT MONEY 1901
8 Sec. 8288.155. DISTRICT FACILITIES EXEMPT FROM
9 TAXATION AND ASSESSMENT 1901

10 [Sections 8288.156-8288.200 reserved for expansion]

11 SUBCHAPTER E. BONDS

12 Sec. 8288.201. AUTHORITY TO ISSUE BONDS 1902
13 Sec. 8288.202. FORM OF BONDS 1903
14 Sec. 8288.203. MATURITY 1904
15 Sec. 8288.204. BONDS SECURED BY REVENUE; ADDITIONAL
16 BONDS 1905
17 Sec. 8288.205. ADDITIONAL SECURITY 1906
18 Sec. 8288.206. TRUST INDENTURE 1906
19 Sec. 8288.207. CHARGES FOR DISTRICT SERVICES 1907
20 Sec. 8288.208. STATE PLEDGE REGARDING RIGHTS AND
21 REMEDIES OF BONDHOLDERS 1908
22 Sec. 8288.209. USE OF BOND PROCEEDS 1908
23 Sec. 8288.210. APPOINTMENT OF RECEIVER 1909
24 Sec. 8288.211. REFUNDING BONDS 1911
25 Sec. 8288.212. OTHER REMEDIES AND COVENANTS 1912
26 Sec. 8288.213. LIMITATION ON RIGHTS OF BONDHOLDERS 1913
27 Sec. 8288.214. BONDS EXEMPT FROM TAXATION 1913

28 CHAPTER 8288. MEEKER MUNICIPAL WATER DISTRICT

29 SUBCHAPTER A. GENERAL PROVISIONS

30 Revised Law

31 Sec. 8288.001. DEFINITIONS. In this chapter:

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

34 (2) "Bond" means a bond or note.

1 (3) "Director" means a member of the board.

2 (4) "District" means the Meeker Municipal Water
3 District. (Acts 65th Leg., R.S., Ch. 714, Secs. 1 (part), 4(a)
4 (part), 15(a) (part); New.)

5 Source Law

6 Sec. 1. . . . [a . . . district . . .] to be
7 known as "Meeker Municipal Water District" (the
8 "district"),

9 Sec. 4. (a) [The district shall be governed by]
10 a board of directors (the "board"),

11 Sec. 15. (a) . . . bonds or notes (hereinafter
12 called "bonds").

13 Revisor's Note

14 The definition of "director" is added to the
15 revised law for drafting convenience and to eliminate
16 frequent, unnecessary repetition of the substance of
17 the definition.

18 Revised Law

19 Sec. 8288.002. NATURE OF DISTRICT. The district is a
20 conservation and reclamation district in Jefferson County created
21 under Section 59, Article XVI, Texas Constitution. (Acts 65th
22 Leg., R.S., Ch. 714, Sec. 1 (part).)

23 Source Law

24 Sec. 1. Under and pursuant to the provisions of
25 Article XVI, Section 59, of the Texas Constitution, a
26 conservation and reclamation district is hereby
27 created and established in Jefferson County, Texas,
28

29 Revisor's Note

30 Section 1, Chapter 714, Acts of the 65th
31 Legislature, Regular Session, 1977, provides that the
32 district is "created and established" in Jefferson
33 County, Texas. The revised law omits "established"
34 because the meaning of that word is included in the
35 meaning of "created."

36 Revised Law

37 Sec. 8288.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
38 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 accomplishment of the purposes stated in this
6 chapter is for the benefit of the people of this state and for the
7 improvement of their property and industries. The district, in
8 carrying out the purposes of this chapter, will be performing an
9 essential public function under the constitution. (Acts 65th Leg.,
10 R.S., Ch. 714, Secs. 3, 22 (part).)

11 Source Law

12 Sec. 3. It is determined and found that all of
13 the land and other property included within the
14 boundaries of the district will be benefited by the
15 works and project which are to be accomplished by the
16 district pursuant to the powers conferred by the
17 provisions of Article XVI, Section 59, of the Texas
18 Constitution, and that said district was and is
19 created to serve a public use and benefit.

20 Sec. 22. The accomplishment of the purposes
21 stated in this Act is for the benefit of the people of
22 this state and for the improvement of their properties
23 and industries, and the district, in carrying out the
24 purposes of this Act, will be performing an essential
25 public function under the constitution. . . .

26 Revised Law

27 Sec. 8288.004. LIBERAL CONSTRUCTION OF CHAPTER. This
28 chapter shall be liberally construed to effect the purposes,
29 powers, rights, and functions stated in this chapter. (Acts 65th
30 Leg., R.S., Ch. 714, Sec. 23 (part).)

31 Source Law

32 Sec. 23. . . . All of the terms and provisions
33 of this Act are to be liberally construed to effectuate
34 the purposes, powers, rights, functions and
35 authorities herein set forth.

36 Revisor's Note

37 Section 23, Chapter 714, Acts of the 65th
38 Legislature, Regular Session, 1977, refers to the
39 "powers" and "authorities" stated by the act.
40 Throughout this chapter, the revised law omits
41 "authority" and "authorities" in this context because
42 "authority" is included in the meaning of "power."

1 Revised Law

2 Sec. 8288.005. DISTRICT TERRITORY. (a) The district is
3 composed of the territory described by Section 1, Chapter 714, Acts
4 of the 65th Legislature, Regular Session, 1977, as that territory
5 may have been 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 of the district form a closure. A
10 mistake in copying the field notes in the legislative process or
11 another mistake in the field notes does not affect:

- 12 (1) the district's organization, existence, or
13 validity;
14 (2) the district's right to issue bonds or to pay the
15 principal of and interest on the bonds;
16 (3) the district's right to impose a tax; or
17 (4) the legality or operation of the district or the
18 board.

19 (c) The board may redefine the boundaries of the district to
20 correct any mistake in the field notes appearing in Section 1,
21 Chapter 714, Acts of the 65th Legislature, Regular Session, 1977.
22 (Acts 65th Leg., R.S., Ch. 714, Sec. 2; New.)

23 Source Law

24 Sec. 2. It is expressly determined and the
25 legislature hereby finds that the boundaries of said
26 district form a closure, and if any mistake is made in
27 copying the field notes in the legislative process, or
28 otherwise a mistake is found to have occurred in the
29 field notes, it shall in no way or manner affect the
30 organization, existence, or validity of said district,
31 or its rights to issue bonds or refunding bonds, or to
32 pay the principal and interest thereon, or the right to
33 assess, levy, and collect taxes, or in any other manner
34 affect the legality or operation of the district or its
35 governing body. The board of directors of the district
36 shall have the power to redefine the boundaries of the
37 district so as to correct any mistake found to exist in
38 the field notes appearing in Section 1 of this Act.

39 Revisor's Note

40 (1) The revision of the law governing the
41 district does not revise the statutory language

1 describing the territory of the district to avoid the
2 lengthy recitation of the description and because that
3 description may not be accurate on the effective date
4 of the revision or at the time of a later reading. For
5 the reader's convenience, the revised law includes
6 references to the statutory description of the
7 district's territory and to the authority to change the
8 district's territory under Subchapter H, Chapter 54,
9 Water Code, applicable to the district under Section
10 14, Chapter 714, Acts of the 65th Legislature, Regular
11 Session, 1977, and under Subchapter J, Chapter 49,
12 Water Code, applicable to the district under Sections
13 49.001 and 49.002 of that chapter. The revised law
14 also includes a reference to the general authority of
15 the legislature to enact other law to change the
16 district's territory.

17 (2) Section 2, Chapter 714, Acts of the 65th
18 Legislature, Regular Session, 1977, provides that a
19 mistake does not affect the right of the district to
20 issue "bonds or refunding bonds." The revised law
21 omits the reference to "refunding bonds" because
22 refunding bonds are included in the meaning of
23 "bonds."

24 (3) Section 2, Chapter 714, Acts of the 65th
25 Legislature, Regular Session, 1977, refers to the
26 district's right to "assess, levy, and collect" a tax.
27 Throughout this chapter, the revised law substitutes
28 "impose" for "assess," "levy," and "collect" because
29 "impose" is the term generally used in Title 1, Tax
30 Code, and includes the assessment, levying, and
31 collection of a tax.

32 (4) Section 14, Chapter 714, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that
34 territory may be annexed to or excluded from the

1 district as provided for a municipal utility district
2 by Section 54.701 et seq., Water Code. The revised law
3 omits the provision as unnecessary. Sections
4 54.701-54.727, Water Code, were repealed by Section
5 43, Chapter 715, Acts of the 74th Legislature, Regular
6 Session, 1995. Section 2 of that act added Chapter 49,
7 Water Code, including Subchapter J of that chapter,
8 which now provides for the annexation or exclusion of
9 territory by certain conservation and reclamation
10 districts, including a municipal utility district. A
11 reference to Subchapter J, Chapter 49, Water Code,
12 however, is not required because Chapter 49, Water
13 Code, applies to the district under Sections 49.001
14 and 49.002. The omitted law reads:

15 Sec. 14. Territory may be added to or
16 excluded from the district in the manner
17 provided for municipal utility districts in
18 Section 54.701 et seq., of the Water Code.

19 [Sections 8288.006-8288.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Revised Law

22 Sec. 8288.051. COMPOSITION OF BOARD; TERMS. (a) The
23 district is governed by a board of nine elected directors, each of
24 whom occupies a numbered place on the board.

25 (b) Directors serve staggered terms.

26 (c) Director elections must be held in the manner provided
27 in the Water Code for municipal utility districts. (Acts 65th Leg.,
28 R.S., Ch. 714, Sec. 4(a) (part).)

29 Source Law

30 Sec. 4. (a) The district shall be governed by a
31 board of directors [(the "board"),] having nine
32 members. . . . who shall occupy places on the board to
33 be designated as Places 1, 2, 3, 4, 5, 6, 7, 8, and 9,
34 respectively. . . . directors shall be elected by the
35 resident qualified electors of the district for
36 staggered two-year terms at elections held in the
37 manner provided for municipal utility districts in
38 Chapter 54 of the Water Code. . . .

39 Revisor's Note

40 (1) Section 4(a), Chapter 714, Acts of the 65th

1 Legislature, Regular Session, 1977, states that
2 directors are elected "by the resident qualified
3 electors of the district." The revised law omits the
4 quoted language because Chapter 11, Election Code,
5 governs eligibility to vote in an election in this
6 state and allows only qualified electors (or "voters"
7 under the terminology of the Election Code) who are
8 residents of the territory covered by the election to
9 vote in an election.

10 (2) Section 4(a), Chapter 714, Acts of the 65th
11 Legislature, Regular Session, 1977, provides that
12 directors are elected for two-year terms at elections
13 held in the manner provided for municipal utility
14 districts under Chapter 54, Water Code. The revised
15 law omits the reference to two-year terms and to
16 Chapter 54 because Chapter 715, Acts of the 74th
17 Legislature, Regular Session, 1995, repealed the
18 relevant provisions of Chapter 54, Water Code, and
19 enacted Section 49.103, Water Code, which governs the
20 election of directors of municipal utility districts
21 and specifies four-year terms. A reference to Section
22 49.103, Water Code, is unnecessary because that
23 section applies to the district on its own terms.

24 Throughout this chapter, the revised law omits
25 law that is superseded by Chapter 49, Water Code, or
26 that duplicates law contained in that chapter.
27 Chapter 49, Water Code, applies to the district under
28 Sections 49.001 and 49.002 of that chapter.

29 (3) Section 4(a), Chapter 714, Acts of the 65th
30 Legislature, Regular Session, 1977, provides that
31 directors hold office until their terms expire and
32 until their successors have been elected and
33 qualified. The revised law omits the reference to a
34 director serving until a successor is elected and

1 qualified because it duplicates Section 17, Article
2 XVI, Texas Constitution, which provides that an
3 officer in this state continues to perform the
4 officer's official duties until a successor has
5 qualified. The revised law also omits the provision
6 for serving until the term expires because holding
7 office until the expiration of the term is implied or
8 inherent in the concept of a term of office, and
9 Section 17, Article XVI, Texas Constitution, applies
10 regardless of whether the term has ended. The omitted
11 law reads:

12 Sec. 4. (a) . . . Each director shall
13 hold office until the expiration of his term
14 and thereafter until his successor is
15 elected and qualified. . . .

16 Revised Law

17 Sec. 8288.052. QUALIFICATIONS FOR OFFICE. To be eligible to
18 be elected or to serve as a director, a person must be a resident,
19 qualified voter of the district. (Acts 65th Leg., R.S., Ch. 714,
20 Sec. 4(b).)

21 Source Law

22 (b) To be eligible to be elected or to serve as a
23 director, a person must be a resident, qualified
24 elector of the State of Texas and of the district.

25 Revisor's Note

26 (1) Section 4(b), Chapter 714, Acts of the 65th
27 Legislature, Regular Session, 1977, refers to an
28 "elector" of the district. Throughout this chapter,
29 the revised law substitutes "voter" for "elector"
30 because the terms are synonymous and "voter" is the
31 term used in the Election Code.

32 (2) Section 4(b), Chapter 714, Acts of the 65th
33 Legislature, Regular Session, 1977, requires a
34 director to be a qualified elector (or "voter" under
35 the terminology of the Election Code (see Revisor's
36 Note (1) to this section)) of the State of Texas and of
37 the district. The revised law omits the reference to

1 the State of Texas because a qualified voter of the
2 district is necessarily a qualified voter of the
3 state.

4 Revised Law

5 Sec. 8288.053. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)
6 The district shall act through orders or resolutions adopted by the
7 board.

8 (b) All directors are entitled to vote.

9 (c) The affirmative vote of a majority of the directors in
10 attendance, but not fewer than five directors, is necessary to
11 adopt an order or resolution. (Acts 65th Leg., R.S., Ch. 714, Sec.
12 4(g).)

13 Source Law

14 (g) Any five directors shall constitute a
15 quorum, and all directors shall be entitled to vote.
16 The district shall act and proceed by and through
17 orders or resolutions adopted by the board, and the
18 affirmative vote of a majority of the directors in
19 attendance (but in no event less than five directors)
20 shall be necessary to adopt any order or resolution.

21 Revisor's Note

22 Section 4(g), Chapter 714, Acts of the 65th
23 Legislature, Regular Session, 1977, provides that any
24 five directors on the board constitute a quorum. The
25 revised law omits that provision because five is the
26 number of directors required for a majority from a
27 group of nine and therefore the provision duplicates
28 Section 49.053, Water Code, which provides that a
29 majority of a board constitutes a quorum.

30 Revised Law

31 Sec. 8288.054. OFFICERS AND ASSISTANTS. (a) The board
32 shall elect a president, vice president, secretary, and treasurer.

33 (b) The board shall elect the president and vice president
34 from among the directors.

35 (c) The president serves for a one-year term.

36 (d) The offices of secretary and treasurer:

37 (1) may be held by one person; and

1 (2) are not required to be held by a director.

2 (e) The board may appoint one or more assistant officers who
3 are not required to be directors. (Acts 65th Leg., R.S., Ch. 714,
4 Sec. 4(f) (part).)

5 Source Law

6 (f) The board shall elect one of the directors
7 as president of the board, who shall serve for a term
8 of one year and The board shall elect another
9 of the directors as vice-president of the board,
10 The board shall elect a secretary of the
11 board, . . . and shall elect a treasurer of the board,
12 The offices of secretary and treasurer may be
13 held by one person, and the holder or holders of such
14 office or offices need not be a director. The board
15 may appoint one or more persons, who need not be
16 directors, to be assistant officers of the board
17

18 Revised Law

19 Sec. 8288.055. OFFICER DUTIES. (a) The board president
20 shall preside at board meetings and perform other duties prescribed
21 by the board.

22 (b) The board secretary is the official custodian of the
23 minutes, books, records, and seal of the board and shall perform
24 other duties and functions prescribed by the board.

25 (c) The board treasurer shall perform duties and functions
26 prescribed by the board.

27 (d) An assistant officer may perform any duties or functions
28 as may be prescribed by the board. (Acts 65th Leg., R.S., Ch. 714,
29 Sec. 4(f) (part).)

30 Source Law

31 (f) [The board shall elect one of the directors
32 as president of the board,] . . . who shall preside at
33 meetings of the board and perform such other duties as
34 are prescribed by the board. . . . [The board shall
35 elect a secretary of the board,] who shall be the
36 official custodian of the minutes, books, records, and
37 seal of the board, and who shall perform such other
38 duties and functions as are prescribed by the board;
39 [and shall elect a treasurer of the board,] who shall
40 perform such duties and functions as are prescribed by
41 the board. . . . [The board may appoint . . .
42 assistant officers of the board,] to perform such
43 duties or functions as may be designated by the board.

44 Revisor's Note

45 Section 4(f), Chapter 714, Acts of the 65th
46 Legislature, Regular Session, 1977, provides the

1 duties of the board vice president. The revised law
2 omits the provision because it duplicates Section
3 49.054(c), Water Code. The omitted law reads:

4 (f) . . . [The board shall elect
5 another of the directors as vice-president
6 of the board,] who shall perform the duties
7 of the president when the president is not
8 present or is otherwise
9 incapacitated. . . .

10 Revised Law

11 Sec. 8288.056. MEETINGS. The board shall have regular
12 meetings at times specified by board resolution or bylaws and shall
13 have special meetings when called by the board president or by any
14 three directors. (Acts 65th Leg., R.S., Ch. 714, Sec. 4(h).)

15 Source Law

16 (h) The board shall have regular meetings at
17 times specified by resolution or bylaws of the board,
18 and shall have special meetings whenever called by the
19 president, or whenever called by any three of the
20 directors.

21 Revisor's Note
22 (End of Subchapter)

23 (1) Section 4(a), Chapter 714, Acts of the 65th
24 Legislature, Regular Session, 1977, refers to the
25 initial directors and their terms of office. The
26 revised law omits those provisions as executed. The
27 omitted law reads:

28 (a) . . . The initial board of
29 directors shall be composed of the
30 following nine persons:

31 B. L. Granger	C. B. Alford
32 Floyd Riley	Aubrey Jacobs
33 Billy Buckner	Steve Ferguson
34 Lester Fulmer	E. L. Pinckard
35 Curtis Givens	

36 The initial directors named above shall
37 draw lots at the first organizational
38 meeting of the board to determine [who shall
39 occupy places on the board to be designated
40 as Places 1, 2, 3, 4, 5, 6, 7, 8, and 9,
41 respectively.] Places 1, 2, 3, and 4 on the
42 board shall expire on the first Saturday in
43 April, 1978, and Places 5, 6, 7, 8, and 9 on
44 the board shall expire on the first Saturday
45 in April, 1979. At the expiration of the
46 terms of the initial directors,

47 (2) Section 4(a), Chapter 714, Acts of the 65th
48 Legislature, Regular Session, 1977, describes the

1 procedure for filling a board vacancy. The revised law
2 omits that provision because it duplicates in
3 substance Section 49.105, Water Code. The omitted law
4 reads:

5 (a) . . . Any vacancy occurring on
6 the board through death, resignation, or
7 otherwise, shall be filled by a majority of
8 the board of directors for the expiration of
9 the term for which the vacating director had
10 been appointed or elected.

11 (3) Sections 4(c) and (d), Chapter 714, Acts of
12 the 65th Legislature, Regular Session, 1977, provide
13 that each director shall execute a bond and take the
14 constitutional oath of office prescribed for county
15 commissioners and that the bond and oath of office
16 shall be filed with the district. The revised law
17 omits the provision requiring directors to take an
18 oath of office because Section 1, Article XVI, Texas
19 Constitution, requires all officers in this state to
20 take the oath (or affirmation) before assuming office.
21 The revised law omits the provisions relating to the
22 bond and the filing of the bond and oath because those
23 provisions duplicate Section 49.055, Water Code. The
24 omitted law reads:

25 (c) As soon as practicable after a
26 director is elected or appointed he shall
27 execute a bond for \$10,000 payable to the
28 district and conditioned on the faithful
29 performance of his duties.

30 (d) All bonds of the directors shall
31 be approved by the board. Each director
32 shall take the oath of office prescribed by
33 the constitution for county commissioners.
34 The bond and oath shall be filed with the
35 district and retained in its records.

36 (4) Section 4(e), Chapter 714, Acts of the 65th
37 Legislature, Regular Session, 1977, provides that
38 directors are entitled to receive fees and
39 reimbursement in the manner provided for directors of
40 municipal utility districts in Chapter 54, Water Code.
41 The revised law omits the provision because Section
42 54.114, the relevant section of Chapter 54, was

1 repealed by Section 43, Chapter 715, Acts of the 74th
2 Legislature, Regular Session, 1995. Section 2 of
3 Chapter 715 enacted Section 49.060, Water Code, which
4 governs the compensation of directors of municipal
5 utility districts. A reference to Section 49.060,
6 Water Code, is unnecessary because that section
7 applies to the district on its own terms. The omitted
8 law reads:

9 (e) The directors shall be entitled
10 to receive fees of office, and be reimbursed
11 for expenses, in the same manner provided
12 for directors of municipal utility
13 districts in Chapter 54 of the Water Code.

14 [Sections 8288.057-8288.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Revised Law

17 Sec. 8288.101. DISTRICT POWERS. The district may exercise
18 any power necessary or appropriate to achieve the purposes of this
19 chapter, including the power to:

20 (1) adopt an official seal;

21 (2) adopt and enforce:

22 (A) bylaws and rules for the conduct of its
23 affairs; and

24 (B) any rule that a municipal utility district
25 may adopt and enforce under Section 54.205 et seq., Water Code;

26 (3) acquire, hold, use, invest, reinvest, and dispose
27 of its receipts and money from any source;

28 (4) select a depository or depositories;

29 (5) acquire, own, rent, lease, accept, hold, or
30 dispose of property or an interest in property, including a right or
31 easement, by purchase, exchange, gift, assignment, condemnation,
32 sale, lease, or other means, in performing a duty or exercising a
33 power under this chapter;

34 (6) hold, manage, operate, or improve property;

35 (7) lease or rent any land, buildings, structures, or
36 facilities from or to any person;

1 receipts, funds, and money from every source, and to
2 select its depository or depositories;

3 (4) to acquire, own, rent, lease, accept,
4 hold, or dispose of any real, personal, or mixed
5 property, or any interest therein, in performing its
6 duties and exercising its powers under this Act, by
7 purchase, exchange, gift, assignment, condemnation,
8 sale, lease, or otherwise, including rights or
9 easements, and to hold, manage, operate, or improve
10 real, personal, or mixed property;

11 (5) to sell, assign, lease, encumber,
12 mortgage, or otherwise dispose of any real, personal,
13 or mixed property, or any interest therein, and
14 release or relinquish any right, title, claim, lien,
15 interest, easement, or demand, however acquired, and
16 to do any of the foregoing by public or private sale,
17 notwithstanding the provisions of any other law, and
18 to lease or rent any land, buildings, structures, or
19 facilities from or to any person, firm, corporation,
20 city, or other public agency or political subdivision
21 to effectuate the purposes of this Act;

22 (6) to request and to accept any
23 appropriations, grants, allocations, subsidies,
24 guaranties, aid, contributions, services, labor,
25 materials, gifts, or donations from the federal
26 government, the state, any city, public agency,
27 political subdivision, or any other public or private
28 sources;

29 (7) to operate and maintain an office, and
30 to appoint and determine the duties, tenure,
31 qualifications, and compensation of such officers,
32 employees, agents, and professional advisors and
33 counselors, including, without limitation, financial
34 consultants, accountants, attorneys, architects,
35 engineers, appraisers, and financing experts, as are
36 deemed necessary or advisable by the board;

37 (8) to borrow money for any of its
38 corporate purposes, to enter into agreements in
39 connection with such borrowing, to issue its
40 negotiable bonds or notes for moneys borrowed, to
41 provide for and secure the payment of its bonds and
42 notes, and to provide for the rights of the holders of
43 its bonds and notes, all in the manner and to the
44 extent permitted by this Act;

45 . . . and

46 (10) to adopt and enforce such reasonable
47 rules and regulations as may be adopted and enforced by
48 municipal utility districts under Section 54.205 et
49 seq., of Chapter 54 of the Water Code.

50 Revisor's Note

51 (1) Section 10, Chapter 714, Acts of the 65th
52 Legislature, Regular Session, 1977, refers to the
53 district's power to "carry out, achieve, or
54 effectuate" certain purposes. The revised law omits
55 "carry out" and "effectuate" because those terms are
56 included in the meaning of "achieve."

57 (2) Section 10, Chapter 714, Acts of the 65th
58 Legislature, Regular Session, 1977, grants the
59 district certain powers "including, without

1 limitation" the enumerated powers. That section also
2 refers to persons the district may hire "including,
3 without limitation" certain consultants and advisors
4 named in the section. The revised law omits "without
5 limitation" because Section 311.005(13), Government
6 Code (Code Construction Act), provides that
7 "including" is a term of enlargement and not of
8 limitation and does not create a presumption that
9 components not expressed are excluded.

10 (3) Section 10(1), Chapter 714, Acts of the 65th
11 Legislature, Regular Session, 1977, provides that the
12 district may "sue and be sued . . . in its own name."
13 The revised law omits that provision because it
14 duplicates, in substance, part of Section 49.066,
15 Water Code. Section 10(1) also provides that the
16 district may "plead and be impleaded." The revised law
17 omits that provision because if the district can sue or
18 be sued, it must necessarily also be able to plead and
19 be impleaded in a suit. The omitted law reads:

20 Sec. 10. [The district may exercise
21 all powers necessary or appropriate . . .:]
22 (1) to sue and be sued, and
23 plead and be impleaded, in its own name;
24

25 (4) Section 10(2), Chapter 714, Acts of the 65th
26 Legislature, Regular Session, 1977, authorizes the
27 district to adopt an official seal and to "alter it
28 when deemed advisable." The revised law omits the
29 quoted language because the authority to adopt a seal
30 includes the authority to alter it.

31 (5) Section 10(2), Chapter 714, Acts of the 65th
32 Legislature, Regular Session, 1977, states that the
33 district may adopt and enforce "rules and regulations"
34 for the conduct of its affairs "not inconsistent with
35 the provisions of this Act." The revised law omits
36 "regulations" because Section 311.005, Government

1 Code (Code Construction Act), defines "rule" to
2 include "regulation." The revised law omits "not
3 inconsistent with the provisions of this Act" because
4 as a general principle of law, the district has the
5 authority to take only those actions that are
6 consistent with the law revised in this chapter.

7 (6) Section 10(3), Chapter 714, Acts of the 65th
8 Legislature, Regular Session, 1977, refers to the
9 district's power regarding its "revenues, income,
10 . . . funds, and money." The revised law omits
11 "revenues," "income," and "funds" because the meaning
12 of those terms is included in the meaning of "money."
13 Throughout this chapter, the revised law substitutes
14 "money" for "funds" (except where a specific type of
15 fund is indicated) because, in context, the meaning is
16 the same and "money" is the more commonly used term.

17 (7) Sections 10(4) and (5), Chapter 714, Acts of
18 the 65th Legislature, Regular Session, 1977, refer to
19 "real, personal, or mixed property." The revised law
20 omits references to "real," "personal," and "mixed"
21 property because under Section 311.005(4), Government
22 Code (Code Construction Act), "property" includes real
23 and personal and, by extension, mixed property.

24 (8) Section 10(5), Chapter 714, Acts of the 65th
25 Legislature, Regular Session, 1977, refers to any
26 "person, firm, corporation, city, or other public
27 agency or political subdivision." Throughout this
28 chapter, the revised law substitutes "person" for the
29 quoted language or similar language because Section
30 311.005, Government Code (Code Construction Act),
31 defines "person" to include any legal entity.

32 (9) Section 10(6), Chapter 714, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that the
34 district may request and accept "appropriations,

1 grants, allocations, subsidies, guaranties, aid,
2 contributions, services, labor, materials, gifts, or
3 donations" from any public or private source,
4 including "any city . . . [or] political subdivision."
5 The revised law omits "contributions," "labor," and
6 "donations" because the meaning of those terms is
7 included in the meaning of "aid," "services," or
8 "gifts." The revised law also omits the reference to
9 "city" because "city" is included in the meaning of
10 "political subdivision."

11 (10) Section 10(8), Chapter 714, Acts of the
12 65th Legislature, Regular Session, 1977, provides that
13 the district may issue "negotiable" bonds or notes and
14 take certain other actions with respect to those bonds
15 and notes. The revised law omits "negotiable" because
16 Section 1201.041, Government Code, provides that a
17 public security is a negotiable instrument. Section
18 1201.041 applies to district bonds and notes by
19 application of Section 1201.002, Government Code.
20 Throughout this chapter, the revised law also omits
21 the reference to "notes" in this context because
22 "notes" is included in the meaning of "bonds," as
23 defined by Section 8288.001 of this chapter.

24 (11) Section 10(9), Chapter 714, Acts of the
25 65th Legislature, Regular Session, 1977, authorizes
26 the district to set and "revise from time to time"
27 certain fees for those who use district facilities or
28 services and to charge and collect those fees. The
29 revised law omits the reference to setting, charging,
30 and collecting fees because it duplicates, in
31 substance, Section 49.212, Water Code. The revised
32 law also omits the reference to revising the fees from
33 time to time because the power to set the fees includes
34 the power to revise them from time to time. The

1 omitted law reads:

2 Sec. 10. [The district may exercise
3 all powers necessary or appropriate . . .:]

4 . . .
5 (9) to fix and revise from time
6 to time and charge and collect rates, fees,
7 and charges for its facilities and
8 services;

9 (12) Section 10(10), Chapter 714, Acts of the
10 65th Legislature, Regular Session, 1977, states that
11 the district may adopt and enforce "reasonable rules
12 and regulations" as may be adopted and enforced by
13 municipal utility districts under Section 54.205 et
14 seq., Water Code. The revised law omits "reasonable"
15 because the requirement that the rules be reasonable
16 duplicates Section 54.205, Water Code. The revised
17 law omits "regulations" for the reason stated in
18 Revisor's Note (5) to this section.

19 Revised Law

20 Sec. 8288.102. GENERAL POWERS REGARDING WATER. The
21 district has all rights, powers, and privileges necessary or useful
22 to enable it to acquire, provide, supply, deliver, and sell potable
23 water inside or outside its boundaries for any beneficial purpose.
24 (Acts 65th Leg., R.S., Ch. 714, Sec. 6.)

25 Source Law

26 Sec. 6. The district shall have and exercise,
27 and is hereby vested with, all rights, powers,
28 privileges, and authority necessary or useful to
29 enable it to acquire, provide, supply, deliver, and
30 sell potable water within and without its boundaries
31 for any beneficial purpose.

32 Revisor's Note

33 Section 6, Chapter 714, Acts of the 65th
34 Legislature, Regular Session, 1977, states that the
35 district "shall have and exercise, and is hereby
36 vested with," certain powers. Throughout this
37 chapter, the revised law substitutes "has" for the
38 quoted or similar language because, in context, the
39 terms are synonymous and "has" is more commonly used.

1 Revised Law

2 Sec. 8288.103. GENERAL POWERS REGARDING WASTE. The
3 district has all rights, powers, and privileges necessary or useful
4 to enable it to collect, transport, dispose of, and control
5 domestic, industrial, or communal wastes, whether in fluid, solid,
6 or composite state. (Acts 65th Leg., R.S., Ch. 714, Sec. 7.)

7 Source Law

8 Sec. 7. The district shall have and exercise,
9 and is hereby vested with, all rights, powers,
10 privileges, and authority necessary or useful to
11 enable it to collect, transport, dispose of, and
12 control domestic, industrial, or communal wastes,
13 whether in fluid, solid, or composite state.

14 Revised Law

15 Sec. 8288.104. GENERAL POWERS REGARDING GARBAGE COLLECTION
16 AND DISPOSAL. The district has all rights, powers, and privileges
17 necessary or useful to enable it to provide for garbage collection
18 and disposal in all or part of the district on terms and at rates and
19 charges the board considers just and reasonable to:

20 (1) preserve the water of rivers and streams in this
21 state; and

22 (2) aid in the preservation and conservation of the
23 natural resources of this state. (Acts 65th Leg., R.S., Ch. 714,
24 Sec. 8.)

25 Source Law

26 Sec. 8. In order to preserve the water of rivers
27 and streams within the district and the state and to
28 aid in the preservation and conservation of the
29 natural resources of the district and the state, the
30 district shall have all rights, powers, privileges,
31 and authority necessary or useful to enable it to
32 provide for the collection and disposal of garbage
33 within all or a portion of the district upon such terms
34 and conditions and for such rates and charges as the
35 board shall deem to be just and reasonable.

36 Revisor's Note

37 (1) Section 8, Chapter 714, Acts of the 65th
38 Legislature, Regular Session, 1977, permits the
39 district to take certain actions to preserve rivers
40 and streams "within the district and the state" and to
41 preserve the natural resources "of the district and

1 the state." The revised law omits the references to
2 the district in this context because the district is
3 located within the state.

4 (2) Section 8, Chapter 714, Acts of the 65th
5 Legislature, Regular Session, 1977, refers to certain
6 "terms and conditions." Throughout this chapter, the
7 revised law omits the reference to "conditions" in
8 this context because "conditions" is included in the
9 meaning of "terms."

10 Revised Law

11 Sec. 8288.105. GENERAL CONTRACT POWERS. (a) The district
12 may enter into and enforce a contract or agreement necessary or
13 convenient to the exercise of the powers, rights, privileges, and
14 functions conferred on the district by this chapter or the general
15 law, including a contract or agreement with any person as the board
16 considers necessary or proper for, or in connection with, any power
17 or function of the district for:

18 (1) the purchase or sale of water;

19 (2) the collection, transportation, processing, or
20 disposal of waste; or

21 (3) the construction, acquisition, ownership,
22 financing, operation, maintenance, sale, leasing to or from, or
23 other use or disposition of any facilities authorized to be
24 developed, acquired, or constructed under this chapter or the
25 general law.

26 (b) The authority to enter into or enforce the contract or
27 agreement includes the authority to enter into or enforce a
28 contract or agreement regarding:

29 (1) any improvements, structures, facilities,
30 equipment, and other property of any kind in connection with the
31 subject of the contract or agreement;

32 (2) any land, leaseholds, and easements; and

33 (3) any interests in the property.

34 (c) The contract or agreement:

1 construction requires a statute to be given cumulative
2 effect with other statutes unless it provides
3 otherwise or unless the statutes are in conflict. The
4 general principle applies to this revision.

5 Revised Law

6 Sec. 8288.106. AUTHORITY OF PUBLIC AGENCIES AND POLITICAL
7 SUBDIVISIONS TO CONTRACT WITH DISTRICT. A public agency or
8 political subdivision of this state may enter into a contract or
9 agreement with the district, on terms agreed to by the parties, for:

- 10 (1) the purchase or sale of water;
11 (2) waste collection, transportation, processing, or
12 disposal; or
13 (3) any purpose relating to the district's powers or
14 functions. (Acts 65th Leg., R.S., Ch. 714, Sec. 9(b) (part).)

15 Source Law

16 (b) All public agencies and political
17 subdivisions of the State of Texas, including
18 specifically all cities, towns, and villages within
19 the district, are hereby authorized to enter into
20 contracts and agreements with the district for the
21 purchase or sale of water, for waste collection,
22 transportation, processing, or disposal, or for any
23 other purpose relating to the district's powers or
24 functions, upon such terms and conditions as the
25 parties may agree. . . .

26 Revisor's Note

27 Section 9(b), Chapter 714, Acts of the 65th
28 Legislature, Regular Session, 1977, refers to a
29 political subdivision of the state "including
30 specifically all cities, towns, and villages within
31 the district." The revised law omits references to
32 "cities, towns, and villages" in this context because
33 those terms are included in the meaning of "political
34 subdivision."

35 Revised Law

36 Sec. 8288.107. CONVEYANCE OF PROPERTY TO DISTRICT. A public
37 agency or political subdivision of this state may lease, sell, or
38 otherwise convey to the district, for any consideration that the
39 parties agree is adequate, any of its land, improvements, property,

1 plants, lines, or other facilities related to:

2 (1) the supply of water; or

3 (2) waste collection, transportation, processing, or
4 disposal. (Acts 65th Leg., R.S., Ch. 714, Sec. 9(b) (part).)

5 Source Law

6 (b) [All public agencies and political
7 subdivisions of the State of Texas,] Also,
8 each such entity may lease, sell, or otherwise convey
9 to the district any of its lands, improvements,
10 properties, plants, lines, or other facilities related
11 to the supply of water or the collection,
12 transportation, processing, or disposal of waste for
13 any consideration agreed on between the parties to be
14 adequate.

15 Revised Law

16 Sec. 8288.108. ACQUISITION OF EXISTING FACILITIES. If the
17 district acquires existing works, improvements, facilities,
18 plants, equipment, or appliances that are completed, partially
19 created, or under construction, the district may:

20 (1) assume the contracts and obligations of the
21 previous owner; and

22 (2) perform the obligations of the previous owner in
23 the same manner and to the same extent that any other purchaser or
24 assignee would be bound. (Acts 65th Leg., R.S., Ch. 714, Sec. 9(c).)

25 Source Law

26 (c) If the district acquires existing works,
27 improvements, facilities, plants, equipment, and
28 appliances which are completed or partially created or
29 under construction, the district may assume the
30 contracts and obligations of the previous owner and
31 perform the obligations of the previous owner in the
32 same manner and to the same extent that any other
33 purchaser or assignee would be bound.

34 Revised Law

35 Sec. 8288.109. EMINENT DOMAIN. (a) To carry out a power
36 conferred by this chapter, the district may exercise the power of
37 eminent domain inside or outside the district to acquire the fee
38 simple title to land, or any other interest in land as determined by
39 the board, and other property and easements, necessary for water
40 wells, water or sewer treatment plants, water or sewer lines,
41 pumping stations and force mains, storage tanks, or other similar
42 facilities.

1 (b) The district must exercise the power of eminent domain
2 in the manner provided by Chapter 21, Property Code. (Acts 65th
3 Leg., R.S., Ch. 714, Sec. 11(a) (part).)

4 Source Law

5 Sec. 11. (a) For the purpose of carrying out
6 any power or authority conferred by this Act, the
7 district may acquire the fee simple title to land, or
8 any other interest in land as may be determined by the
9 board, and other property and easements, necessary for
10 water wells, water or sewer treatment plants, water or
11 sewer lines, pumping stations and force mains, storage
12 tanks, or other similar facilities, inside or outside
13 the boundaries of the district, by condemnation, in
14 the manner provided by Title 52, Revised Civil
15 Statutes of Texas, 1925, as amended, relating to
16 eminent domain, except that

17 Revisor's Note

18 (1) Section 11(a), Chapter 714, Acts of the 65th
19 Legislature, Regular Session, 1977, provides that "the
20 district may acquire [certain property] by
21 condemnation." The revised law substitutes for the
22 quoted language "the district may exercise the power
23 of eminent domain . . . to acquire [certain property]"
24 because the phrases have the same meaning and the
25 latter is consistent with modern usage in laws
26 relating to eminent domain.

27 (2) Section 11(a), Chapter 714, Acts of the 65th
28 Legislature, Regular Session, 1977, refers to Title
29 52, Revised Civil Statutes of Texas, 1925, as amended.
30 That statute was codified as Chapter 21, Property
31 Code. The revised law is drafted accordingly. The
32 revised law omits the reference to "as amended"
33 because under Section 311.027, Government Code (Code
34 Construction Act), a reference to a statute applies to
35 all reenactments, revisions, or amendments of that
36 statute unless expressly provided otherwise.

37 (3) Section 11(a), Chapter 714, Acts of the 65th
38 Legislature, Regular Session, 1977, states that the
39 district is not required to give bond for appeal or
40 bond for costs in suits to which it is a party and is

1 not required to deposit double the amount of any award
2 in any suit relating to eminent domain. The revised
3 law omits those provisions because they duplicate
4 Section 21.021(c), Property Code, and Section
5 49.066(f), Water Code. Section 21.021(c) and Section
6 49.066(f) each provide that certain districts are not
7 required to give bond for appeal or bond for costs in
8 suits to which they are a party and that they are not
9 required to make the additional deposit (the
10 equivalent of "double the award") required by Section
11 21.021(a)(2). The omitted law reads:

12 (a) . . . the district shall not be
13 required to give bond for appeal or bond for
14 costs in any condemnation suit or other suit
15 to which it is a party and shall not be
16 required to deposit double the amount of any
17 award in any suit.

18 Revised Law

19 Sec. 8288.110. COST OF RELOCATING OR ALTERING PROPERTY;
20 RIGHTS-OF-WAY AND EASEMENTS. (a) If the district's exercise of its
21 eminent domain, police, or other power requires relocating,
22 raising, lowering, rerouting, or changing the grade of or altering
23 the construction of any highway, railroad, electric, transmission,
24 telegraph, or telephone line, conduit, pole, property, or facility
25 or pipeline, the action shall be accomplished at the sole expense of
26 the district. The term "sole expense" means the actual cost of the
27 lowering, rerouting, or change in grade or alteration of
28 construction to provide a comparable replacement without enhancing
29 the facility, after deducting from the cost the net salvage value
30 derived from the old facility.

31 (b) The district has all necessary or useful rights-of-way
32 and easements along, over, under, and across all public, state,
33 municipal, and county roads, highways, and places for any of its
34 purposes. The district shall restore a used facility to its
35 previous condition as nearly as possible at the sole expense of the
36 district. (Acts 65th Leg., R.S., Ch. 714, Secs. 11(c), (d).)

1 Source Law

2 (c) The district is hereby given and granted all
3 necessary or useful rights-of-way and easements along,
4 over, under, and across all public, state, city, and
5 country roads, highways, and places for any of its
6 purposes, but the district shall restore any such
7 facilities used to their previous condition as nearly
8 as possible at the sole expense of the district.

9 (d) In the event the district, in the exercise
10 of its power of eminent domain or police power, or any
11 other power, requires the relocation, raising,
12 lowering, rerouting, or change in grade or alteration
13 in the construction of any highway, railroad,
14 electric, transmission, telegraph, or telephone
15 lines, conduits, poles, properties, or facilities or
16 pipelines, all this relocation, raising, lowering,
17 rerouting, or changes in grade or alteration of
18 construction shall be accomplished at the sole expense
19 of the district. The term "sole expense" means the
20 actual cost of the lowering, rerouting, or change in
21 grade or alteration of construction in providing
22 comparable replacement without enhancement of the
23 facilities, after deducting from the cost the net
24 salvage value derived from the old facility.

25 Revisor's Note

26 Section 11(c), Chapter 714, Acts of the 65th
27 Legislature, Regular Session, 1977, refers to "city"
28 and "country" roads, highways, and places. The
29 revised law substitutes the term "municipal" for
30 "city" because "municipal" is the term used in the
31 Local Government Code. The revised law also
32 substitutes "county" for "country" because it is clear
33 from the context of the subsection that "country" is a
34 typographical error and that the legislature intended
35 to use the word "county."

36 Revisor's Note
37 (End of Subchapter)

38 (1) Section 9(d), Chapter 714, Acts of the 65th
39 Legislature, Regular Session, 1977, provides that the
40 rights, powers, privileges, authority, and functions
41 granted to the district are subject to the continuing
42 right of supervision of the state, acting through the
43 Texas Water Rights Commission, including commission
44 authority given under Sections 54.516, 54.517, and
45 54.030 et seq., Water Code. The revised law omits the
46 provision because the Texas Commission on

1 Environmental Quality is the successor to the Texas
2 Water Rights Commission, and therefore the provision
3 duplicates, in substance, part of Section 12.081,
4 Water Code, which applies to the district. Sections
5 54.516 and 54.517, Water Code, which granted the
6 commission certain supervisory authority in the
7 issuance of district bonds and in the construction of
8 projects, were repealed in 1995 and replaced by
9 similar Sections 49.181 and 49.182, Water Code, which
10 apply to the district on their own terms. Section
11 54.030 et seq., Water Code, applies to any
12 conservation and reclamation district that converts to
13 a municipal utility district governed by Chapter 54,
14 Water Code. Those sections also apply on their own
15 terms if they are invoked through the conversion
16 process they describe, so it is not necessary to
17 provide a reference to those sections in this chapter.
18 The omitted law reads:

19 (d) The rights, powers, privileges,
20 authority, and functions herein granted to
21 the district shall be subject to the
22 continuing right of supervision of the
23 state, to be exercised by and through the
24 Texas Water Rights Commission, subject to
25 the provisions of this Act, and the Water
26 Code, including but not limited to the
27 authority given under Sections 54.516,
28 54.517, and 54.030 et seq., of Chapter 54 of
29 the Water Code.

30 (2) Section 11(b), Chapter 714, Acts of the 65th
31 Legislature, Regular Session, 1977, provides that the
32 district has the powers conferred by Section 54.216,
33 Water Code, on municipal utility districts regarding
34 entering land, making surveys, and attending to other
35 district business. The revised law omits that
36 provision because it duplicates in substance Section
37 49.221, Water Code, which replaced Section 54.216,
38 Water Code, when that section was repealed in 1995.
39 The omitted law reads:

1 (b) The district shall have the same
2 power as is conferred on municipal utility
3 districts in Section 54.216 of the Water
4 Code, with reference to entering land and
5 making surveys and attending to other
6 business of the district.

7 [Sections 8288.111-8288.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Revised Law

10 Sec. 8288.151. IMPOSITION OF MAINTENANCE TAX; PROHIBITION
11 ON OTHER TAXES OR ASSESSMENTS. (a) The district may impose a tax,
12 not to exceed 10 cents on each \$100 of the assessed value of taxable
13 property in the district according to the most recent certified tax
14 appraisal roll of the district, for:

15 (1) maintenance purposes, including money for
16 studying, planning, maintaining, repairing, and operating all
17 necessary plants, works, facilities, improvements, appliances, and
18 equipment of the district;

19 (2) paying costs of proper services, engineering, and
20 legal fees; and

21 (3) organization and administrative expenses.

22 (b) The district may not impose a maintenance tax unless the
23 tax is approved by a majority of the voters voting at an election
24 held for that purpose.

25 (c) Except for the maintenance tax authorized by this
26 section, the district may not under this chapter or any other law
27 levy or collect a tax or assessment or create a debt payable from a
28 tax or assessment. (Acts 65th Leg., R.S., Ch. 714, Secs. 12(a), (b)
29 (part), (c).)

30 Source Law

31 Sec. 12. (a) The district may levy and collect
32 a tax, not to exceed 10 cents on the \$100 valuation of
33 taxable property in the district, for maintenance
34 purposes, including funds for studying, planning,
35 maintaining, repairing, and operating all necessary
36 plants, works, facilities, improvements, appliances,
37 and equipment of the district, and for paying costs of
38 proper services, engineering, and legal fees, and
39 organization and administrative expenses.

40 (b) A maintenance tax may not be levied until it
41 is approved by a majority of the qualified electors
42 voting at an election held for that purpose. . . .

43 (c) Except for the maintenance tax hereinabove
44 authorized, nothing in this Act or in any other act or

1 law shall be construed as authorizing the district to
2 levy or collect taxes or assessments or to create any
3 indebtedness payable out of taxes or assessments.

4 Revisor's Note

5 (1) Section 12(a), Chapter 714, Acts of the 65th
6 Legislature, Regular Session, 1977, refers to a tax
7 rate based on the "\$100 valuation of taxable property
8 in the district." The revised law substitutes for the
9 quoted language a reference to "each \$100 of the
10 assessed value of taxable property in the district
11 according to the most recent certified tax appraisal
12 roll of the district" to conform to the terminology of
13 the Tax Code, including Section 26.01 of that code.

14 (2) Section 12(b), Chapter 714, Acts of the 65th
15 Legislature, Regular Session, 1977, refers to a
16 majority of the "qualified" voters of the district.
17 The revised law omits "qualified" as unnecessary in
18 this context because Chapter 11, Election Code,
19 governs eligibility to vote in an election in this
20 state and allows only "qualified" voters to vote in an
21 election.

22 Revised Law

23 Sec. 8288.152. ELECTION TO IMPOSE TAX. (a) The board may
24 order an election to impose a maintenance tax. The election order
25 must specify:

- 26 (1) the time and place of the election;
27 (2) the maximum amount of tax to be authorized;
28 (3) the form of the ballot; and
29 (4) other matters the board considers necessary or
30 advisable.

31 (b) Notice of the election must be given by publishing once
32 a week for two consecutive weeks a substantial copy of the election
33 order in a newspaper of general circulation in the district. The
34 first publication must occur at least 14 days before the date of the
35 election. (Acts 65th Leg., R.S., Ch. 714, Sec. 12(b) (part).)

1 Source Law

2 (b) . . . Such an election may be called by the
3 board. The resolution calling the election shall
4 specify the time and place or places of holding the
5 election, the maximum amount of the maintenance tax to
6 be authorized, the form of the ballot, and other
7 matters deemed necessary or advisable by the board.
8 Notice of the election shall be given by publishing a
9 substantial copy of the resolution calling the
10 election in a newspaper having general circulation in
11 the district, once each week for two consecutive
12 weeks, with the first publication to be at least 14
13 days prior to the election. . . .

14 Revisor's Note

15 (1) Section 12(b), Chapter 714, Acts of the 65th
16 Legislature, Regular Session, 1977, provides that an
17 election "may be called" by the board to authorize
18 imposing a maintenance tax and refers to the
19 "resolution calling the election." The revised law
20 substitutes "may order" for "may be called" and
21 "election order" for "resolution calling the election"
22 because "order" is the term used in Chapter 3, Election
23 Code.

24 (2) Section 12(b), Chapter 714, Acts of the 65th
25 Legislature, Regular Session, 1977, requires that
26 election returns be made to the board. The revised law
27 omits that requirement because it duplicates Sections
28 66.022 and 66.051(a), Election Code. Section 12(b)
29 also requires the board to canvass the election
30 returns. The revised law omits that requirement
31 because it duplicates Section 67.002, Election Code.
32 The omitted law reads:

33 (b) . . . The returns of the election
34 shall be made to and canvassed by the board.
35 . . .

36 (3) Section 12(b), Chapter 714, Acts of the 65th
37 Legislature, Regular Session, 1977, states that a
38 district maintenance tax election shall be held in
39 accordance with the Election Code, except as provided
40 by Section 12, Chapter 714. The revised law omits that
41 provision because Section 1.002, Election Code,

1 provides that the Election Code applies to all
2 elections held in this state, and an exception to the
3 application of the Election Code would apply by its own
4 terms. The omitted law reads:

5 (b) . . . The Texas Election Code
6 shall be applicable to elections held under
7 this section, except as otherwise provided
8 herein.

9 Revised Law

10 Sec. 8288.153. DEPOSITORY. (a) The board shall designate
11 one or more banks inside or outside the district to serve as the
12 depository for the district's money.

13 (b) All district money shall be deposited in the depository
14 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 the
22 trustee bank is not insured by the Federal Deposit Insurance
23 Corporation, the money must be secured in the manner provided by law
24 for the security of the county funds in this state. (Acts 65th
25 Leg., R.S., Ch. 714, Sec. 19 (part).)

26 Source Law

27 Sec. 19. The board shall designate one or more
28 banks inside or outside the district to serve as
29 depository for the funds of the district. All funds of
30 the district shall be deposited in the depository bank
31 or banks, except that bond proceeds and funds pledged
32 to pay bonds may, to the extent provided in any
33 resolution or trust indenture authorizing or securing
34 bonds of the district, be deposited with any other bank
35 or trustee named in the bond resolution or trust
36 indenture, and except that funds shall be remitted to
37 each paying agent for the payment of principal of and
38 interest on the bonds. To the extent that funds in the
39 depository banks and the trustee bank are not insured
40 by the Federal Deposit Insurance Corporation or the
41 Federal Savings and Loan Insurance Corporation, they
42 shall be secured in the manner provided by law for the
43 security of funds of counties in the State of
44 Texas. . . .

1 Revisor's Note

2 Section 19, Chapter 714, Acts of the 65th
3 Legislature, Regular Session, 1977, refers to the
4 Federal Savings and Loan Insurance Corporation. The
5 Financial Institutions Reform, Recovery, and
6 Enforcement Act of 1989 (Pub. L. No. 101-73) abolished
7 the Federal Savings and Loan Insurance Corporation and
8 provided for the insurance of the deposits of savings
9 and loan associations by the Federal Deposit Insurance
10 Corporation. The revised law is drafted accordingly.

11 Revised Law

12 Sec. 8288.154. INVESTMENT OF DISTRICT MONEY. The board may
13 invest district money in obligations and make time deposits of
14 district money in a manner determined by the board or in the manner
15 permitted or required in a resolution or trust indenture
16 authorizing or securing district bonds. (Acts 65th Leg., R.S., Ch.
17 714, Sec. 19 (part).)

18 Source Law

19 Sec. 19. . . . The board may invest district
20 funds in obligations and make time deposits of
21 district funds in such manner as is determined by the
22 board or in the manner permitted or required in any
23 resolution or trust indenture authorizing or securing
24 bonds of the district.

25 Revised Law

26 Sec. 8288.155. DISTRICT FACILITIES EXEMPT FROM TAXATION AND
27 ASSESSMENT. The district is not required to pay a tax or assessment
28 on its facilities or any part of its facilities. (Acts 65th Leg.,
29 R.S., Ch. 714, Sec. 22 (part).)

30 Source Law

31 Sec. 22. . . . The district shall not be
32 required to pay any tax or assessment on its facilities
33 or any part of its facilities, and

34 Revisor's Note
35 (End of Subchapter)

36 Section 13, Chapter 714, Acts of the 65th
37 Legislature, Regular Session, 1977, establishes
38 certain procedures relating to the imposition of

1 property taxes. The revised law omits those
2 provisions as superseded by Title 1, Tax Code, which
3 was intended as a comprehensive, substantive
4 codification of all property tax law and its
5 administration. Title 1, Tax Code, was enacted by
6 Chapter 841, Acts of the 66th Legislature, Regular
7 Session, 1979. Section 6(b) of that act repealed all
8 "general, local, and special laws" that conflicted
9 with that act. The omitted law reads:

10 Sec. 13. (a) The tax rolls of
11 Jefferson County are adopted and shall
12 constitute the tax rolls of the district for
13 purposes of levying and assessing the
14 maintenance tax herein authorized.

15 (b) The laws of this state applicable
16 to the levy, assessment, and collection of
17 ad valorem taxes by counties may be adopted
18 and shall be used to the extent pertinent
19 and practicable.

20 [Sections 8288.156-8288.200 reserved for expansion]

21 SUBCHAPTER E. BONDS

22 Revised Law

23 Sec. 8288.201. AUTHORITY TO ISSUE BONDS. (a) The district
24 may issue bonds payable from and secured by district revenue to
25 carry out any power conferred by this chapter. The bonds must be
26 authorized by a board resolution.

27 (b) The bonds must be issued in the manner and under the
28 terms of the resolution authorizing the issuance of the bonds.
29 (Acts 65th Leg., R.S., Ch. 714, Secs. 15(a) (part), (b) (part).)

30 Source Law

31 Sec. 15. (a) For the purpose of carrying out
32 any power or authority conferred by this Act, the
33 district may issue its negotiable bonds or notes to be
34 payable from and secured by revenues of the district,
35 in the manner and under the terms and conditions
36 provided in the resolution authorizing the issuance of
37 the [bonds or notes (hereinafter called "bonds")].

38 (b) The bonds shall be authorized by resolution
39 of the board and

40 Revisor's Note

41 (1) Section 15(a), Chapter 714, Acts of the 65th
42 Legislature, Regular Session, 1977, authorizes the
43 district to issue "negotiable" bonds or notes. The

1 revised law omits "negotiable" for the reason stated
2 in Revisor's Note (10) to Section 8288.101.

3 (2) Section 15(c), Chapter 714, Acts of the 65th
4 Legislature, Regular Session, 1977, states that bonds
5 may be issued in "more than one series and from time to
6 time as required for carrying out the purposes of this
7 Act." The revised law omits "more than one series"
8 because it duplicates a provision of Section 1201.022,
9 Government Code, which applies to district bonds by
10 application of Section 1201.003, Government Code. The
11 revised law omits "from time to time" because the power
12 to issue bonds implies the power to do so at any time.
13 The revised law omits "as required for carrying out the
14 purposes of this Act" because Section 15(a), Chapter
15 714, Acts of the 65th Legislature, Regular Session,
16 1977, revised as this section, authorizes the district
17 to issue bonds for the purposes of the act. The
18 omitted law reads:

19 (c) Bonds may be issued in more than
20 one series and from time to time as required
21 for carrying out the purposes of this Act.

22 Revised Law

23 Sec. 8288.202. FORM OF BONDS. District bonds must be:

- 24 (1) issued in the district's name;
25 (2) signed by the president or vice president; and
26 (3) attested by the secretary. (Acts 65th Leg., R.S.,
27 Ch. 714, Sec. 15(b) (part).)

28 Source Law

29 (b) The bonds . . . shall be issued in the name
30 of the district, signed by the president or
31 vice-president, attested by the secretary, and . . .

32 Revisor's Note

33 Section 15(b), Chapter 714, Acts of the 65th
34 Legislature, Regular Session, 1977, provides that
35 district bonds must bear the seal of the district and
36 authorizes facsimile "printed or lithographed"

1 signatures and seals. The revised law omits those
2 provisions as unnecessary. The requirement that the
3 bonds bear the seal of the district was impliedly
4 repealed by Section 3, Bond Procedures Act of 1981
5 (Article 717k-6, Vernon's Texas Civil Statutes)
6 (revised in relevant part in 1999 as Section
7 1201.026(a), Government Code), which provides that
8 bonds may be signed with or without a seal. The
9 authorization for the use of printed or lithographed
10 signatures duplicates Section 1201.026(a), Government
11 Code, which also provides that bonds and interest
12 coupons may be executed with manual or facsimile
13 signatures. The omitted law reads:

14 (b) [The bonds] . . . shall bear the
15 seal of the district. It is provided,
16 however, that the signatures of the
17 president or the vice-president, or the
18 secretary, or of both, may be printed or
19 lithographed on the bonds if authorized by
20 the board and that the seal of the district
21 may be impressed on the bonds or may be
22 printed or lithographed on the bonds. . . .

23 Revised Law

24 Sec. 8288.203. MATURITY. District bonds must mature not
25 later than 40 years after the date of their issuance. (Acts 65th
26 Leg., R.S., Ch. 714, Sec. 15(b) (part).)

27 Source Law

28 (b) . . . The bonds shall mature serially or
29 otherwise in not to exceed 40 years from their date and
30

31 Revisor's Note

32 Section 15(b), Chapter 714, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that
34 district bonds shall mature "serially or otherwise."
35 The revised law omits the quoted language because it is
36 superseded by Section 1201.021, Government Code
37 (enacted as Section 3, Bond Procedures Act of 1981
38 (Article 717k-6, Vernon's Texas Civil Statutes)),
39 which provides that the governing body of an issuer may

1 determine the time of payment of public securities it
2 issues, and by Section 1201.022, Government Code
3 (enacted as Section 5(a), Bond Procedures Act of 1981
4 (Article 717k-6, Vernon's Texas Civil Statutes)),
5 which provides that a public security may be issued
6 with specified characteristics, on specified terms, or
7 in a specified manner. Sections 1201.021 and 1201.022
8 apply to district bonds under Sections 1201.002 and
9 1201.003, Government Code.

10 Revised Law

11 Sec. 8288.204. BONDS SECURED BY REVENUE; ADDITIONAL BONDS.

12 (a) District bonds may be secured by a pledge of all or part of the
13 district's revenue, or by all or part of the payments or rentals
14 under one or more contracts or leases specified by board resolution
15 or a trust indenture securing the bonds.

16 (b) A resolution authorizing the issuance of bonds secured
17 by a pledge of revenue of all or part of the district's facilities
18 may provide that the district shall first pay the expenses of
19 operating and maintaining all or part of the facilities as the board
20 considers appropriate before paying the principal of and interest
21 on the bonds.

22 (c) In a resolution authorizing the issuance of bonds
23 secured by revenue, contract payments, or lease rentals, the
24 district may reserve the right, under conditions specified by the
25 resolution, to issue additional bonds that will be on a parity with,
26 superior to, or subordinate to the bonds then being issued. (Acts
27 65th Leg., R.S., Ch. 714, Sec. 15(d).)

28 Source Law

29 (d) The bonds may be secured by a pledge of all
30 or any part of the revenues of the district, or by all
31 or any part of payments or rentals under any one or
32 more contracts or leases specified by resolution of
33 the board or in any trust indenture securing the bonds.
34 A resolution authorizing the issuance of any bonds
35 secured by a pledge of revenues of all or any part of
36 the district's facilities may provide that the
37 district shall first pay such expenses of operating
38 and maintaining all or any part of such facilities as
39 the board may deem appropriate prior to paying
40 principal of and interest on such bonds. In all of its

1 resolutions authorizing the issuance of bonds secured
2 by revenues, contract payments, or lease rentals, the
3 district may reserve the right, under conditions
4 specified in it, to issue additional bonds which will
5 be on a parity with, superior to, or subordinate to the
6 bonds then being issued.

7 Revised Law

8 Sec. 8288.205. 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, water rights and
12 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 65th Leg., R.S., Ch. 714, Sec. 16
23 (part).)

24 Source Law

25 Sec. 16. Any bonds . . . authorized by this law
26 The bonds, within the discretion of the board,
27 may be additionally secured by a deed of trust or
28 mortgage lien upon all or any portion of the district's
29 physical properties, facilities, easements, water
30 rights and appropriation permits, leases, and
31 contracts and all rights appurtenant to these
32 properties, vesting in the trustee power to sell the
33 properties for the payment of indebtedness, power to
34 operate the properties, and all other powers and
35 authority for the further security of the bonds. Any
36 purchaser under a sale under the deed of trust lien,
37 where one is given, shall be the absolute owner of
38 properties, facilities, and rights so purchased and
39 shall have the right to maintain and operate them.

40 Revised Law

41 Sec. 8288.206. TRUST INDENTURE. District bonds authorized
42 by this chapter, including refunding bonds, may be additionally
43 secured by a trust indenture. The trustee may be a bank with trust
44 powers that is located inside or outside the state. (Acts 65th

1 Leg., R.S., Ch. 714, Sec. 16 (part).)

2 Source Law

3 Sec. 16. Any bonds, including refunding bonds,
4 authorized by this law, may be additionally secured by
5 a trust indenture under which the trustee may be a bank
6 having trust powers situated either inside or outside
7 of the state. . . .

8 Revised Law

9 Sec. 8288.207. CHARGES FOR DISTRICT SERVICES. If district
10 bonds payable wholly from revenue are issued, the board shall set
11 and revise the rates, fees, and charges assessed for water sold and
12 waste collection and treatment services provided by the district.
13 The rates, fees, and charges must be sufficient to:

14 (1) pay the expense of operating and maintaining the
15 district facilities that generate the revenue from which the bonds
16 will be paid;

17 (2) pay the principal of and interest on the bonds when
18 due; and

19 (3) maintain the reserve fund and other funds as
20 provided in the resolution authorizing the bonds. (Acts 65th Leg.,
21 R.S., Ch. 714, Sec. 15(e) (part).)

22 Source Law

23 (e) Where bonds payable wholly from revenues are
24 issued, the board shall fix, and from time to time
25 revise, the rates, fees, and charges assessed for
26 water sold and waste collection and treatment services
27 rendered by the district which will be sufficient (i)
28 to pay the expense of operating and maintaining those
29 facilities of the district that generate the revenues
30 from which the district's bonds will be paid, (ii) to
31 pay the principal of and interest on the bonds when
32 due, and (iii) to maintain such reserve and other funds
33 as are provided in the resolution authorizing the
34 bonds. . . .

35 Revisor's Note

36 Section 15(e), Chapter 714, Acts of the 65th
37 Legislature, Regular Session, 1977, provides that the
38 board shall fix and "from time to time" revise the
39 rates, fees, and charges the district assesses for
40 water sold and waste collection and treatment services
41 provided by the district. The revised law omits the
42 quoted language because the duty to set the rates,

1 fees, and charges includes the duty to revise them from
2 time to time.

3 Revised Law

4 Sec. 8288.208. STATE PLEDGE REGARDING RIGHTS AND REMEDIES
5 OF BONDHOLDERS. Without depriving this state of its power to
6 regulate and control the rates, fees, and charges assessed for
7 water sold and waste collection and treatment services provided by
8 the district, the state pledges to and agrees with the holders of
9 district bonds that the state will not exercise its power to
10 regulate and control the rates, fees, and charges in any way that
11 would impair the rights or remedies of the holders of the bonds.
12 (Acts 65th Leg., R.S., Ch. 714, Sec. 15(e) (part).)

13 Source Law

14 (e) . . . Without in any way depriving the State
15 of Texas of its power to regulate and control such
16 rates, fees, and charges, the State of Texas does
17 hereby pledge to and agree with the holders of any
18 bonds issued hereunder that the state will not
19 exercise its power to regulate and control such rates,
20 fees, and charges in any way that would impair the
21 rights of remedies of the holders of such bonds.

22 Revisor's Note

23 Section 15(e), Chapter 714, Acts of the 65th
24 Legislature, Regular Session, 1977, provides that the
25 state will not regulate and control the rates, fees,
26 and charges of district bonds in a way that impairs the
27 "rights of remedies" of the holder of a district bond.
28 The revised law substitutes "rights or remedies" for
29 "rights of remedies" because it is clear from the
30 context that "of" is a typographical error and that the
31 legislature intended to use the phrase "rights or
32 remedies."

33 Revised Law

34 Sec. 8288.209. USE OF BOND PROCEEDS. (a) The district may
35 set aside an amount of proceeds from the sale of district bonds for:

36 (1) the payment of interest expected to accrue during
37 construction not to exceed three years;

38 (2) a debt service reserve fund; and

1 (3) other funds as may be provided in the resolution
2 authorizing the bonds or in the trust indenture.

3 (b) The district may use proceeds from the sale of the bonds
4 to pay any expense necessarily incurred in accomplishing the
5 purpose of the district, including any expense of issuing and
6 selling the bonds. (Acts 65th Leg., R.S., Ch. 714, Sec. 15(f).)

7 Source Law

8 (f) From the proceeds from the sale of the
9 bonds, the district may set aside an amount for the
10 payment of interest expected to accrue during
11 construction not to exceed three years, a debt service
12 reserve and other funds as may be provided in the
13 resolution authorizing the bonds or in the trust
14 indenture. Proceeds from the sale of the bonds may also
15 be used for the payment of all expenses necessarily
16 incurred in accomplishing the purpose for which this
17 district is created, including expenses of issuing and
18 selling the bonds.

19 Revised Law

20 Sec. 8288.210. APPOINTMENT OF RECEIVER. (a) On default or
21 threatened default in the payment of the principal of or interest on
22 district bonds that are payable wholly or partly from revenue, a
23 court may, on petition of the holders of at least 25 percent of the
24 district's outstanding revenue bonds, appoint a receiver for the
25 district.

26 (b) The receiver may collect and receive all district
27 revenue, other than taxes, employ and discharge district agents and
28 employees, and take charge of money on hand, other than money
29 received from taxes, unless commingled, and or hindrance by the
30 board.

31 (c) The receiver may be authorized to sell or contract for
32 the sale of water or the collection or treatment of waste or to
33 renew contracts with the approval of the court that appointed the
34 receiver.

35 (d) The court may vest the receiver with any other power or
36 duty the court finds necessary to protect the holders of the bonds.
37 (Acts 65th Leg., R.S., Ch. 714, Sec. 15(g) (part).)

38 Source Law

39 (g) In the event of a default or a threatened
40 default in the payment of principal of or interest on

1 bonds payable wholly or partially from revenues, any
2 court of competent jurisdiction may, upon petition of
3 the holders of at least 25 percent of the district's
4 outstanding revenue bonds, appoint a receiver with
5 authority to collect and receive all revenues of the
6 district, except taxes, employ and discharge agents
7 and employees of the district, take charge of funds on
8 hand, except funds received from taxes, unless
9 commingled, and or hindrance by the board. The
10 receiver may also be authorized to sell or make
11 contracts for the sale of water and the collection and
12 treatment of waste and to renew contracts, with the
13 approval of the court appointing him. The court may
14 vest the receiver with other powers and duties as the
15 court may find necessary for the protection of the
16 holders of the bonds. . . .

17 Revisor's Note

18 (1) Section 15(g), Chapter 714, Acts of the 65th
19 Legislature, Regular Session, 1977, refers to a court
20 "of competent jurisdiction." The revised law omits
21 the quoted language because the general laws of civil
22 jurisdiction determine which courts have jurisdiction
23 over the matter. For example, see Section 24.303,
24 Government Code, for the jurisdiction of certain
25 district courts to appoint receivers.

26 (2) Section 15(g), Chapter 714, Acts of the 65th
27 Legislature, Regular Session, 1977, provides for the
28 appointment of a receiver if the district defaults on
29 district bonds and allows the receiver to collect and
30 receive certain district revenue and to take charge of
31 funds of the district "on hand, . . . and or hindrance
32 by the board." In context, it appears as though the
33 phrase "and or hindrance by the board" is a
34 typographical error, since it is clear from a reading
35 of the section and similar laws that "on hand, . . .
36 without consent or hindrance by the board" was the
37 phrase the legislature intended to include in the
38 source law. However, the revised law preserves the
39 likely typographical error in source law because the
40 source law is ambiguous and the ambiguity cannot be
41 resolved without potential substantive effect.

1 Revised Law

2 Sec. 8288.211. REFUNDING BONDS. (a) The district may issue
3 refunding bonds to refund outstanding district bonds and interest
4 on those bonds. Refunding bonds may be issued without an election.

5 (b) Refunding bonds may:

6 (1) be issued to refund bonds of more than one series;

7 (2) combine the pledges for the outstanding bonds for
8 the security of the refunding bonds; or

9 (3) be secured by a pledge of other or additional
10 revenue or mortgage liens.

11 (c) The provisions of this subchapter regarding the
12 issuance of other bonds, their security, and the remedies of the
13 holders apply to refunding bonds.

14 (d) The comptroller shall register the refunding bonds on
15 the surrender and cancellation of the bonds to be refunded.

16 (e) Instead of issuing bonds to be registered on the
17 surrender and cancellation of the bonds to be refunded, the
18 district, in the resolution authorizing the issuance of the
19 refunding bonds, may provide for the sale of the refunding bonds and
20 the deposit of the proceeds in a bank at which the bonds to be
21 refunded are payable. In that case, the refunding bonds may be
22 issued in an amount sufficient to pay the principal of and interest
23 and any required redemption premium on the bonds to be refunded to
24 any redemption date or to their maturity date, and the comptroller
25 shall register the refunding bonds without the surrender and
26 cancellation of the bonds to be refunded.

27 (f) The district may also issue refunding bonds under any
28 other applicable law. (Acts 65th Leg., R.S., Ch. 714, Sec. 17.)

29 Source Law

30 Sec. 17. The district is authorized to issue
31 refunding bonds for the purpose of refunding any
32 outstanding bonds authorized by this Act and interest
33 on the bonds. The refunding bonds may be issued to
34 refund more than one series of outstanding bonds and
35 combine the pledges for the outstanding bonds for the
36 security of the refunding bonds, and may be secured by
37 other or additional revenues and mortgage liens. The
38 provisions of this Act with reference to the issuance
39 by the district of other bonds, their security, and

1 their approval by the attorney general and the
2 remedies of the holders shall be applicable to
3 refunding bonds. Refunding bonds shall be registered
4 by the comptroller upon surrender and cancellation of
5 the bonds to be refunded, but in lieu thereof, the
6 resolution authorizing their issuance may provide that
7 they shall be sold and the proceeds of the sale
8 deposited in the bank where the original bonds are
9 payable, in which case the refunding bonds may be
10 issued in an amount sufficient to pay all principal
11 coming due, all interest accruing, and any required
12 redemption premium on the bonds being refunded to or
13 through any date upon which they are subject to
14 redemption prior to maturity, or through or at their
15 maturity date or dates, respectively, and the
16 comptroller shall register them without concurrent
17 surrender and cancellation of the original bonds. The
18 refunding bonds may be issued without having been
19 authorized at an election. Refunding bonds also may be
20 issued by the district pursuant to any other
21 applicable law.

22 Revisor's Note

23 Section 17, Chapter 714, Acts of the 65th
24 Legislature, Regular Session, 1977, refers to the
25 "approval by the attorney general" of refunding bonds.
26 The revised law omits the quoted language because it is
27 superseded by Section 1202.003, Government Code,
28 enacted in 1987 as Section 3.002(a), Chapter 53, Acts
29 of the 70th Legislature, 2nd Called Session (Article
30 717k-8, Vernon's Texas Civil Statutes). That section
31 applies to district bonds by application of Section
32 1202.001, Government Code.

33 Revised Law

34 Sec. 8288.212. OTHER REMEDIES AND COVENANTS. The
35 resolution authorizing the issuance of any district bonds
36 authorized under this chapter, including refunding bonds, or the
37 trust indenture securing the bonds, may provide other remedies and
38 covenants the board considers necessary to issue the bonds on the
39 most favorable terms. (Acts 65th Leg., R.S., Ch. 714, Sec. 15(h).)

40 Source Law

41 (h) The resolution authorizing the issuance of
42 any bonds authorized under this Act, including
43 refunding bonds, or the trust indenture securing such
44 bonds, may also provide such other remedies and
45 contain such covenants as the board shall deem
46 necessary to issue its bonds upon the most favorable
47 terms.

1 Revised Law

2 Sec. 8288.213. LIMITATION ON RIGHTS OF BONDHOLDERS. 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 same source to
6 institute or prosecute litigation affecting the district's
7 property or income. (Acts 65th Leg., R.S., Ch. 714, Sec. 15(g)
8 (part).)

9 Source Law

10 (g) . . . The resolution authorizing the
11 issuance of the bonds, or the trust indenture securing
12 them, may further limit or qualify the rights of the
13 holders of less than all of the outstanding bonds
14 payable from the sale source to institute or prosecute
15 litigation affecting the district's property or
16 income.

17 Revisor's Note

18 Section 15(g), Chapter 714, Acts of the 65th
19 Legislature, Regular Session, 1977, provides for a
20 resolution limiting or qualifying the rights of
21 holders of certain bonds payable from the "sale
22 source." The revised law substitutes "same" for
23 "sale" because it is clear from the context that "sale"
24 is a typographical error and that the legislature
25 intended to use the word "same."

26 Revised Law

27 Sec. 8288.214. BONDS EXEMPT FROM TAXATION. A district
28 bond, the transfer of the bond, and the income from the bond,
29 including profits made on the sale of the bond, are exempt from
30 taxation in this state. (Acts 65th Leg., R.S., Ch. 714, Sec. 22
31 (part).)

32 Source Law

33 Sec. 22. . . . the bonds issued hereunder and
34 their transfer and the income therefrom, including the
35 profits made on the sale, shall at all times be free
36 from taxation within this state.

37 Revisor's Note
38 (End of Subchapter)

39 (1) Section 15(b), Chapter 714, Acts of the 65th

1 Legislature, Regular Session, 1977, provides that
2 district bonds may be sold at a price and under terms
3 that the board determines are the most advantageous
4 reasonably obtainable. The revised law omits that
5 provision because it is superseded by general law.
6 Section 1201.022, Government Code, as amended in 2001,
7 provides that an issuer may sell public securities
8 "under the terms determined by the governing body of
9 the issuer to be in the issuer's best interests."
10 Section 1201.022 applies to district bonds by
11 application of Section 1201.002, Government Code. The
12 omitted law reads:

13 (b) . . . [The bonds] . . . may be
14 sold at a price and under terms determined
15 by the board to be the most advantageous
16 reasonably obtainable. . . .

17 (2) Section 15(b), Chapter 714, Acts of the 65th
18 Legislature, Regular Session, 1977, provides that
19 district bonds may be redeemed before maturity at the
20 time and price specified in the bonds. The revised law
21 omits that provision because it duplicates Sections
22 1201.021 and 1201.022, Government Code, which provide
23 that a public security may be redeemed before maturity
24 and be payable in specified amounts and at specified
25 times. Those sections apply to district bonds by the
26 application of Section 1201.002, Government Code. The
27 omitted law reads:

28 (b) . . . Within the discretion of
29 the board, such bonds may be made callable
30 prior to maturity at times and prices
31 prescribed in the bonds, and

32 (3) Section 15(b), Chapter 714, Acts of the 65th
33 Legislature, Regular Session, 1977, provides that
34 district bonds may be registered as to principal or as
35 to principal and interest. The revised law omits that
36 provision because it duplicates Section 1201.024,
37 Government Code. That section applies to district

1 bonds by the application of Section 1201.002,
2 Government Code. The omitted law reads:

3 (b) . . . [such bonds] . . . may be
4 made registrable as to principal or as to
5 both principal and interest.

6 (4) Section 18, Chapter 714, Acts of the 65th
7 Legislature, Regular Session, 1977, requires the
8 district to deliver its bonds to the attorney general
9 for examination and approval. The revised law omits
10 that provision because it duplicates, in substance,
11 Section 1202.003, Government Code. Section 1202.003,
12 Government Code, applies to district bonds by
13 application of Section 1202.001, Government Code. The
14 omitted law reads:

15 Sec. 18. After any bonds, including
16 refunding bonds, are authorized by the
17 district, the bonds and the proceedings
18 relating to their issuance shall be
19 submitted to the attorney general for his
20 examination as to their validity. . . . If
21 he finds that the bonds have been authorized
22 and . . . in accordance with the
23 constitution and laws of the State of Texas,
24 he shall approve the bonds and

25 (5) Section 18, Chapter 714, Acts of the 65th
26 Legislature, Regular Session, 1977, provides that
27 after approval the bonds shall be registered with the
28 comptroller. The revised law omits that provision as
29 superseded by Section 1202.005, Government Code
30 (enacted in 1987 as Section 3.002(c), Chapter 53, Acts
31 of the 70th Legislature, 2nd Called Session). Section
32 1202.005, Government Code, applies to district bonds
33 by application of Section 1202.001, Government Code.
34 The omitted law reads:

35 Sec. 18. . . . [he shall approve the
36 bonds and] . . . the bonds then shall be
37 registered by the comptroller of public
38 accounts. . . .

39 (6) Section 18, Chapter 714, Acts of the 65th
40 Legislature, Regular Session, 1977, provides that
41 after approval and registration, district bonds are

1 incontestable and binding obligations. The revised
2 law omits that provision as impliedly repealed by
3 Section 1202.006, Government Code (enacted as Section
4 3.002(d), Chapter 53, Acts of the 70th Legislature,
5 2nd Called Session, 1987). Section 1202.006,
6 Government Code, provides that after approval and
7 registration, bonds are incontestable for any reason.
8 Section 1202.006 applies to district bonds by
9 application of Section 1202.001, Government Code. The
10 omitted law reads:

11 Sec. 18. . . . Thereafter the bonds,
12 and . . . are valid and binding obligations
13 in accordance with their terms for all
14 purposes, and are incontestable in any
15 court, or other forum, for any reason.

16 (7) Section 18, Chapter 714, Acts of the 65th
17 Legislature, Regular Session, 1977, details various
18 procedures regarding approval of bond contracts and
19 proceedings by the attorney general. The revised law
20 omits the portion of Section 18 regarding the validity
21 and incontestability of a contract the revenues or
22 proceeds of which are pledged to the payment of a bond
23 as impliedly repealed by Section 1202.006, Government
24 Code (enacted as Section 3.002(d), Chapter 53, Acts of
25 the 70th Legislature, 2nd Called Session, 1987).
26 Section 1202.006, Government Code, provides that after
27 approval and registration of the bond, the bond and
28 contract are incontestable for any reason. Section
29 1202.006 applies to district bonds by application of
30 Section 1202.001, Government Code. The omitted law
31 reads:

32 Sec. 18. . . . If the bonds recite
33 that they are secured by a pledge of the
34 revenues or proceeds of a contract
35 previously made between the district and
36 any city, or other public agency or
37 political subdivision, or other entity, a
38 copy of the contract and the proceedings of
39 the city or other public agency or political
40 subdivision, or other entity, authorizing
41 the contract also may be submitted to the

1 attorney general. [If he finds that] . . .
2 the contracts have been made [in accordance
3 with the constitution and laws of the State
4 of Texas, he shall approve] . . . the
5 contracts, and [Thereafter] . . .
6 the contracts, if any, [are valid and
7 binding obligations in accordance with
8 their terms for all purposes and are
9 incontestable in any court, or other forum,
10 for any reason.]

11 (8) Section 20, Chapter 714, Acts of the 65th
12 Legislature, Regular Session, 1977, lists the entities
13 for which district bonds are legal investments and
14 provides that district bonds may secure deposits of
15 public funds of the state or political subdivisions.
16 The revised law omits the provision relating to the
17 eligibility of district bonds to be considered as
18 investments for various entities because it duplicates
19 Section 49.186(a), Water Code. The revised law omits
20 the provision relating to deposits of state funds by
21 the comptroller as impliedly repealed by Section
22 404.0221, Government Code (enacted in 1995), which
23 lists eligible collateral for deposits of state funds
24 by the comptroller. As to deposits of other funds, the
25 provision is impliedly repealed by Chapter 2257,
26 Government Code (enacted in 1989 as Article 2529d,
27 Vernon's Texas Civil Statutes), which governs eligible
28 collateral for deposits of funds of other public
29 agencies, including political subdivisions, and
30 permits those deposits to be secured by obligations
31 issued by conservation and reclamation districts. The
32 omitted law reads:

33 Sec. 20. All bonds of the district
34 are legal and authorized investments for
35 banks, savings banks, trust companies,
36 building and loan associations, insurance
37 companies, fiduciaries, trustees, and for
38 the sinking fund of cities, towns,
39 villages, counties, school districts, or
40 other political corporations or
41 subdivisions of the State of Texas. The
42 bonds are eligible to secure the deposit of
43 any and all public funds of the State of
44 Texas, and any and all public funds of
45 cities, towns, villages, counties, school
46 districts, or other political corporations

1 or subdivisions of the State of Texas, and
2 the bonds are lawful and sufficient
3 security for these deposits to the extent of
4 their value, when accompanied by all
5 unmatured coupons appurtenant thereto.

6 Revisor's Note
7 (End of Chapter)

8 (1) Section 5, Chapter 714, Acts of the 65th
9 Legislature, Regular Session, 1977, provides that an
10 election to confirm the creation of the district must
11 be held before the district may issue any bonds or
12 other obligations. The revised law omits that
13 provision as executed because the district has issued
14 bonds, and any confirmation election would have been
15 held. The omitted law reads:

16 Sec. 5. Before issuing any bonds or
17 other obligations an election shall be held
18 within the boundaries of the proposed
19 district to determine if the proposed
20 district shall be established; such
21 election and notice thereof shall be held
22 and given in the manner provided by Chapter
23 54 of the Water Code.

24 (2) Section 21, Chapter 714, Acts of the 65th
25 Legislature, Regular Session, 1977, provides in part
26 that the act is sufficient authority for the issuance
27 of bonds, the execution of contracts and conveyances,
28 and the performance of other authorized acts by the
29 district and all other public agencies, without
30 reference to any other law or any restrictions or
31 limitations contained in another law, except as
32 specifically provided by the act.

33 The revised law omits the statement that the act
34 is sufficient authority for the performance of acts
35 authorized by the act because it is unnecessary. The
36 operative provisions of the act are fully effective on
37 their own terms.

38 The revised law omits the statement that other
39 laws or restrictions or limitations contained in those
40 laws do not apply because it is both unnecessary and
41 potentially misleading. An accepted general principle

1 of statutory construction requires a statute to be
2 given cumulative effect with other statutes unless it
3 provides otherwise or unless the statutes are in
4 conflict. To the extent the statement means that the
5 act prevails over other law in existence at the time
6 the act became effective and with which the act
7 conflicts, it merely restates general rules of
8 statutory construction. To the extent the statement
9 means the act prevails over future enactments of the
10 legislature that may conflict with it, it is
11 misleading. Section 311.026, Government Code (Code
12 Construction Act), governs the interpretation of the
13 revised law in instances of apparent conflict with
14 other laws.

15 Finally, codification of the statement is
16 potentially misleading because the revised law not
17 only omits provisions of the act that are impliedly
18 repealed by other law, it also omits provisions that
19 are duplicative of other law. Codification of the
20 statement might create an impression that the
21 provisions of other law that duplicate the omitted
22 provisions do not apply.

23 Section 21 also provides that the district and
24 all other public agencies and political subdivisions
25 may use the provisions of other laws that do not
26 conflict with the act to carry out any power granted by
27 the act. The revised law omits that provision as
28 unnecessary. The operative provisions of other
29 applicable laws are fully effective on their own
30 terms. The omitted law reads:

31 Sec. 21. This Act shall be wholly
32 sufficient authority within itself for the
33 issuance of the bonds, the execution of
34 contracts, and conveyances, and the
35 performance of the other acts and
36 procedures authorized in this Act by the
37 district, and all other public agencies and
38 political subdivisions, without reference

1 to any other law or any restrictions or
2 limitations contained therein, except as
3 specifically provided in this Act. The
4 district, and all other public agencies and
5 political subdivisions, may use the
6 provisions of any other laws, not in
7 conflict with the provisions, to the extent
8 convenient or necessary to carry out any
9 power or authority, express or implied,
10 granted by this Act.

11 (3) Section 23, Chapter 714, Acts of the 65th
12 Legislature, Regular Session, 1977, provides that the
13 act is severable. The revised law omits that provision
14 because it duplicates Section 311.032, Government Code
15 (Code Construction Act), which states that a provision
16 of a statute is severable from each other provision of
17 the statute that can be given effect. The omitted law
18 reads:

19 Sec. 23. If any word, phrase, clause,
20 paragraph, sentence, part, portion, or
21 provision of this Act or the application
22 thereof to any person or circumstance shall
23 be held to be invalid or unconstitutional
24 the remainder of this Act shall
25 nevertheless be valid, and the legislature
26 hereby declares that this Act would have
27 been enacted without such invalid or
28 unconstitutional word, phrase, clause,
29 paragraph, sentence, part, portion or
30 provision. . . .

31 (4) Section 24, Chapter 714, Acts of the 65th
32 Legislature, Regular Session, 1977, contains
33 legislative findings related to the performance of
34 certain requirements under Section 59, Article XVI,
35 Texas Constitution. The revised law omits that
36 provision as executed. The omitted law reads:

37 Sec. 24. It is determined and found
38 that a proper and written notice of the
39 intention to introduce this Act setting
40 forth the general substance of this Act has
41 been published at least 30 days and not more
42 than 90 days prior to the introduction of
43 this Act in the Legislature of Texas in a
44 newspaper having a general circulation in
45 the county in which the district is located;
46 that a copy of such notice and a copy of this
47 Act have been delivered to the governor of
48 Texas who has submitted such notice and act
49 to the Texas Water Rights Commission, and
50 said Texas Water Rights Commission has
51 filed its recommendations as to this Act
52 with the governor, lieutenant governor, and
53 speaker of the house of representatives

1 within 30 days from the date such notice and
2 Act were received by the Texas Water Rights
3 Commission; and that all the requirements
4 and provisions of Article XVI, Section 59d,
5 of the Texas Constitution, have been
6 fulfilled and accomplished as herein
7 provided, and that any applicable
8 requirements and provisions of Article XVI,
9 Section 59e, of the Texas Constitution,
10 have been fulfilled and accomplished.

11 CHAPTER 8289. MEMORIAL POINT UTILITY DISTRICT

12 SUBCHAPTER A. GENERAL PROVISIONS

13 Sec. 8289.001. DEFINITIONS 1921
14 Sec. 8289.002. NATURE OF DISTRICT 1922
15 Sec. 8289.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1923
16 Sec. 8289.004. DISTRICT TERRITORY 1923

17 [Sections 8289.005-8289.050 reserved for expansion]

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 8289.051. COMPOSITION OF BOARD 1925

20 [Sections 8289.052-8289.100 reserved for expansion]

21 SUBCHAPTER C. POWERS AND DUTIES

22 Sec. 8289.101. MUNICIPAL UTILITY DISTRICT POWERS 1927

23 CHAPTER 8289. MEMORIAL POINT UTILITY DISTRICT

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Revised Law

26 Sec. 8289.001. DEFINITIONS. In this chapter:

- 27 (1) "Board" means the district's board of directors.
- 28 (2) "Director" means a member of the board.
- 29 (3) "District" means the Memorial Point Utility

30 District. (Acts 62nd Leg., R.S., Ch. 423, Sec. 1 (part); New.)

31 Source Law

32 Sec. 1. . . . [a . . . district] . . . to be
33 known as "Memorial Point Utility District,"
34 hereinafter called the "district,"

35 Revisor's Note

36 The definitions of "board" and "director" are
37 added to the revised law for drafting convenience and
38 to eliminate frequent, unnecessary repetition of the
39 substance of the definitions.

1 Revised Law

2 Sec. 8289.002. NATURE OF DISTRICT. The district is a
3 conservation and reclamation district in Polk County created under
4 Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg., R.S.,
5 Ch. 423, Sec. 1 (part).)

6 Source Law

7 Sec. 1. . . . there is hereby created and
8 established, under and pursuant to the provisions of
9 Article XVI, Section 59, of the Constitution of Texas,
10 a conservation and reclamation district in Polk
11 County, Texas, . . . which shall be a governmental
12 agency and a body politic and corporate. . . .

13 Revisor's Note

14 (1) Section 1, Chapter 423, Acts of the 62nd
15 Legislature, Regular Session, 1971, provides that the
16 district is "created and established." The revised
17 law omits "established" because the meaning of that
18 word is included in the meaning of "created."

19 (2) Section 1, Chapter 423, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that the
21 district is created notwithstanding certain laws
22 relating to consent. The revised law omits that
23 provision as executed because the district has been
24 created. The omitted law reads:

25 Sec. 1. Notwithstanding provisions
26 of the general laws relating to consent by
27 political subdivisions for the creation of
28 conservation and reclamation districts,
29 [there is hereby created . . . a
30 conservation and reclamation district]
31

32 (3) Section 1, Chapter 423, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to the
34 district as "a governmental agency and a body politic
35 and corporate." The revised law omits the quoted
36 language because it duplicates a portion of Section
37 59(b), Article XVI, Texas Constitution, which provides
38 that a conservation and reclamation district is a
39 governmental agency and a body politic and corporate.

1 Revised Law

2 Sec. 8289.003. 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. (Acts
10 62nd Leg., R.S., Ch. 423, Secs. 1 (part), 3.)

11 Source Law

12 Sec. 1. . . . The creation and establishment of
13 the district is hereby declared to be essential to the
14 accomplishment of the purposes of Article XVI, Section
15 59 of the Constitution of Texas.

16 Sec. 3. It is determined and found that all of
17 the land and other property included within the area
18 and boundaries of the district will be benefited by the
19 works and project which are to be accomplished by the
20 district pursuant to the powers conferred by the
21 provisions of Article XVI, Section 59 of the
22 Constitution of Texas, and that said district is
23 created to serve a public use and benefit.

24 Revisor's Note

25 (1) Section 1, Chapter 423, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 "creation and establishment" of the district are
28 essential to accomplish the purposes of Section 59,
29 Article XVI, Texas Constitution. The revised law
30 omits "establishment" because its meaning is included
31 in the meaning of "creation."

32 (2) Section 3, Chapter 423, Acts of the 62nd
33 Legislature, Regular Session, 1971, refers to land and
34 other property included within the "area and
35 boundaries of the district." The revised law omits the
36 reference to "area" because, in context, "area" is
37 included in the meaning of "boundaries."

38 Revised Law

39 Sec. 8289.004. DISTRICT TERRITORY. (a) The district is

1 composed of the territory described by Section 4, Chapter 423, Acts
2 of the 62nd Legislature, Regular Session, 1971, as that territory
3 may have been modified under:

4 (1) Subchapter H, Chapter 54, Water Code;

5 (2) Subchapter J, Chapter 49, Water Code; or

6 (3) other law.

7 (b) The boundaries and field notes of the district form a
8 closure. A mistake in copying the field notes in the legislative
9 process or another mistake in the field notes does not affect:

10 (1) the district's organization, existence, or
11 validity;

12 (2) the district's right to issue any type of bond for
13 a purpose for which the district is created or to pay the principal
14 of and interest on the bond;

15 (3) the district's right to impose a tax; or

16 (4) the legality or operation of the district or its
17 governing body. (Acts 62nd Leg., R.S., Ch. 423, Sec. 2; New.)

18 Source Law

19 Sec. 2. It is determined and found that the
20 boundaries and field notes of the district form a
21 closure. If any mistake is made in copying the field
22 notes in the legislative process or otherwise a
23 mistake is made in the field notes, it shall in no way
24 affect the organization, existence and validity of the
25 district, or the right of the district to issue any
26 type of bonds or refunding bonds for the purpose for
27 which the district is created or to pay the principal
28 and interest thereon, or the right to assess, levy and
29 collect taxes, or in any other manner affect the
30 legality or operation of the district or its governing
31 body.

32 Revisor's Note

33 (1) The revision of the law governing the
34 district does not revise the statutory language
35 describing the territory of the district to avoid the
36 lengthy recitation of the description and because that
37 description may not be accurate on the effective date
38 of the revision or at the time of a later reading. For
39 the reader's convenience, the revised law includes
40 references to the statutory description of the

1 district's territory and to the authority to change the
2 district's territory under Subchapter H, Chapter 54,
3 Water Code, applicable to municipal utility districts,
4 and under Subchapter J, Chapter 49, Water Code,
5 applicable to the district under Sections 49.001 and
6 49.002 of that chapter. The revised law also includes
7 a reference to the general authority of the
8 legislature to enact a law to change the district's
9 territory.

10 (2) Section 2, Chapter 423, Acts of the 62nd
11 Legislature, Regular Session, 1971, provides that a
12 mistake in the description of the district boundaries
13 does not affect the right of the district to issue "any
14 type of bonds or refunding bonds." The revised law
15 omits the reference to "refunding bonds" because
16 refunding bonds are included in the meaning of "any
17 type of bonds."

18 (3) Section 2, Chapter 423, Acts of the 62nd
19 Legislature, Regular Session, 1971, refers to the
20 district's authority to "assess, levy and collect"
21 taxes. The revised law substitutes "impose" for
22 "assess, levy and collect" because "impose" is the
23 term generally used in Title 1, Tax Code, and includes
24 the assessment, levy, and collection of a tax.

25 [Sections 8289.005-8289.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Revised Law

28 Sec. 8289.051. COMPOSITION OF BOARD. The board of
29 directors is composed of five elected directors. (Acts 62nd Leg.,
30 R.S., Ch. 423, Sec. 6 (part).)

31 Source Law

32 Sec. 6. . . . Succeeding directors shall be
33 elected or

34 Revisor's Note

35 (1) Section 6, Chapter 423, Acts of the 62nd

1 Legislature, Regular Session, 1971, refers to the
2 initial board of directors and to vacancy procedures.
3 The revised law omits the language relating to the
4 creation of the initial board as executed. The revised
5 law omits the language relating to vacancy procedures
6 for the initial board as executed and, to the extent
7 the language may apply to subsequently appointed
8 directors, because it duplicates in substance Section
9 49.105(c), Water Code. That section applies to the
10 district under Sections 49.001 and 49.002, Water Code.
11 The omitted law reads:

12 Sec. 6. Immediately after this Act
13 becomes effective, the following named
14 persons shall be the directors of the
15 district and shall constitute the board of
16 directors of the district:

17 W. J. Reese
18 Tom S. King
19 Grenville W. Elder
20 John E. Riggs
21 W. A. Hancock

22 Said persons shall qualify to serve as
23 directors prior to the first meeting of the
24 board of directors. Should any of the above
25 named directors fail to qualify for any
26 reason, the remaining named directors shall
27 appoint someone to fill such vacancy or
28 vacancies; provided, however, that if at
29 any time the number of qualified directors
30 shall be less than three because of the
31 failure or refusal of one or more directors
32 to qualify or serve or because of his or
33 their death or incapacitation, or for any
34 such other reason, the Texas Water Rights
35 Commission shall appoint the necessary
36 number of directors to fill all vacancies on
37 the board. The directors above named or
38 their duly appointed and qualified
39 successor or successors shall serve until
40 the second Saturday in January, 1973. . . .

41 (2) Section 6, Chapter 423, Acts of the 62nd
42 Legislature, Regular Session, 1971, refers to
43 "[s]ucceeding directors" to distinguish the
44 succeeding directors from the initial directors named
45 in that section. The revised law substitutes "five"
46 for "succeeding" to conform to the number of directors
47 listed in Section 6 (establishing the initial board).

48 (3) Section 6, Chapter 423, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides for
2 directors to be elected or appointed and to serve for
3 the term and in the manner provided by Chapter 54,
4 Water Code. Chapter 715, Acts of the 74th Legislature,
5 Regular Session, 1995, repealed the relevant
6 provisions of Chapter 54 and enacted similar
7 provisions in Chapter 49, Water Code, including
8 Section 49.103, which governs the terms of office and
9 manner of election of directors of a municipal utility
10 district that is required by law to elect its
11 directors. The revised law omits any reference to
12 Chapter 49, Water Code, because Chapter 49 applies to
13 the district under Sections 49.001 and 49.002 of that
14 chapter. The revised law also omits "appointed"
15 because it is clear from the context of Section 6 that
16 the reference applies only to directors appointed to
17 fill vacancies as provided by Chapter 49, Water Code.
18 The omitted law reads:

19 Sec. 6. . . . [Succeeding directors
20 shall be elected or] appointed and shall
21 serve for the term and in the manner
22 provided by Chapter 54, Title 4, Water Code,
23 for directors first elected.

24 [Sections 8289.052-8289.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Revised Law

27 Sec. 8289.101. MUNICIPAL UTILITY DISTRICT POWERS. The
28 district has the rights, powers, privileges, and functions
29 conferred by general law applicable to a municipal utility
30 district, including Chapters 49 and 54, Water Code. (Acts 62nd
31 Leg., R.S., Ch. 423, Sec. 5 (part); New.)

32 Source Law

33 Sec. 5. The district is hereby vested with, and
34 shall have and exercise, all of the rights, powers,
35 privileges, authority and functions conferred by the
36 general laws of this state applicable to municipal
37 utility districts, including without limitation those
38 conferred by Chapter 54, Title 4, Water Code, but
39

1 Revisor's Note

2 (1) Section 5, Chapter 423, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 district "is hereby vested with, and shall have and
5 exercise" certain powers. The revised law substitutes
6 "has" for the quoted language because, in context, the
7 terms are synonymous and "has" is more commonly used.

8 (2) Section 5, Chapter 423, Acts of the 62nd
9 Legislature, Regular Session, 1971, refers to the
10 "rights, powers, privileges, [and] authority" of the
11 district. The revised law omits the reference to
12 "authority" because, in context, "authority" is
13 included in the meaning of "rights, powers, [and]
14 privileges."

15 (3) Section 5, Chapter 423, Acts of the 62nd
16 Legislature, Regular Session, 1971, grants the
17 district certain powers, "including without
18 limitation those conferred by Chapter 54, Title 4,
19 Water Code." The revised law omits "without
20 limitation" because Section 311.005(13), Government
21 Code (Code Construction Act), provides that "includes"
22 and "including" are terms of enlargement and not of
23 limitation and do not create a presumption that
24 components not expressed are excluded.

25 (4) Section 5, Chapter 423, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to Chapter
27 54, Water Code. For the reader's convenience, the
28 revised law adds a reference to Chapter 49, Water Code,
29 because Chapter 715, Acts of the 74th Legislature,
30 Regular Session, 1995, repealed many provisions of
31 Chapter 54 and enacted similar provisions in Chapter
32 49, Water Code, which applies to the district under
33 Sections 49.001 and 49.002 of that chapter.

34 (5) Section 5, Chapter 423, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides that the
2 act prevails over general law in case of a conflict or
3 other inconsistency and that all general laws
4 applicable to municipal utility districts not in
5 conflict or inconsistent with the provisions of the
6 act are adopted and incorporated by reference. The
7 revised law omits the portion of the provision
8 relating to the act prevailing over general law
9 because it duplicates in substance Section 311.026(b),
10 Government Code (Code Construction Act). The revised
11 law omits the portion of the provision relating to
12 adoption and incorporation of general laws because
13 Section 5 of Chapter 423 (revised as this section)
14 already provides that those laws apply to the
15 district, and it is unnecessary to repeat that
16 authority. The omitted law reads:

17 Sec. 5. . . . if any provision of
18 such general laws shall be in conflict or
19 inconsistent with the provisions of this
20 Act, the provisions of this Act shall
21 prevail. All such general laws applicable
22 to municipal utility districts not in
23 conflict or inconsistent with the
24 provisions of this Act are hereby adopted
25 and incorporated by reference with the same
26 effect as if copied in full in this Act.

27 Revisor's Note
28 (End of Chapter)

29 (1) Section 7, Chapter 423, Acts of the 62nd
30 Legislature, Regular Session, 1971, contains
31 legislative findings relating to the performance of
32 the requirements of Section 59(d), Article XVI, Texas
33 Constitution, and to the authority of the legislature
34 to enact that chapter. The revised law omits the
35 provision as executed. The omitted law reads:

36 Sec. 7. The Legislature specifically
37 finds and declares that the requirements of
38 Article XVI, Section 59(d) of the
39 Constitution of Texas have been performed
40 and accomplished in due course and time and
41 order, and that the Legislature has the
42 power and authority to enact this Act.

1 (2) Section 8, Chapter 423, Acts of the 62nd
2 Legislature, Regular Session, 1971, provides that the
3 act is severable. The revised law omits that provision
4 because it duplicates Section 311.032, Government Code
5 (Code Construction Act), which provides that a
6 provision of a statute is severable from each other
7 provision of the statute that can be given effect. The
8 omitted law reads:

9 Sec. 8. If any word, phrase, clause,
10 paragraph, sentence, part, portion, or
11 provision of this Act or the application
12 thereof to any person or circumstance shall
13 be held to be invalid or unconstitutional,
14 the remainder of this Act shall
15 nevertheless be valid and the Legislature
16 hereby declares that this Act would have
17 been enacted without such invalid or
18 unconstitutional word, phrase, clause,
19 paragraph, sentence, part, portion or
20 provision.

21 CHAPTER 8290. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Sec. 8290.001. DEFINITIONS 1930
24 Sec. 8290.002. NATURE OF DISTRICT 1931
25 Sec. 8290.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1932
26 Sec. 8290.004. DISTRICT TERRITORY 1933

27 [Sections 8290.005-8290.050 reserved for expansion]

28 SUBCHAPTER B. BOARD OF DIRECTORS

29 Sec. 8290.051. COMPOSITION OF BOARD 1935

30 [Sections 8290.052-8290.100 reserved for expansion]

31 SUBCHAPTER C. POWERS AND DUTIES

32 Sec. 8290.101. MUNICIPAL UTILITY DISTRICT POWERS 1936

33 CHAPTER 8290. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

34 SUBCHAPTER A. GENERAL PROVISIONS

35 Revised Law

36 Sec. 8290.001. DEFINITIONS. In this chapter:

- 37 (1) "Board" means the district's board of directors.
38 (2) "Director" means a member of the board.
39 (3) "District" means the Montgomery County Municipal
40 Utility District No. 6. (Acts 62nd Leg., R.S., Ch. 693, Sec. 1

1 (part); New.)

2 Source Law

3 Sec. 1. . . . [a . . . district] . . . to be
4 known as "Montgomery County Municipal Utility District
5 No. 6," hereinafter called the "district,"

6 Revisor's Note

7 The definitions of "board" and "director" are
8 added to the revised law for drafting convenience and
9 to eliminate frequent, unnecessary repetition of the
10 substance of the definitions.

11 Revised Law

12 Sec. 8290.002. NATURE OF DISTRICT. The district is a
13 conservation and reclamation district in Montgomery County created
14 under Section 59, Article XVI, Texas Constitution. (Acts 62nd
15 Leg., R.S., Ch. 693, Sec. 1 (part).)

16 Source Law

17 Sec. 1. . . . there is hereby created and
18 established, under and pursuant to the provisions of
19 Article XVI, Section 59 of the Constitution of Texas, a
20 conservation and reclamation district in Montgomery
21 County, Texas, . . . which shall be a governmental
22 agency and a body politic and corporate. . . .

23 Revisor's Note

24 (1) Section 1, Chapter 693, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that the
26 district is "created and established." The revised
27 law omits "established" because the meaning of that
28 word is included in the meaning of "created."

29 (2) Section 1, Chapter 693, Acts of the 62nd
30 Legislature, Regular Session, 1971, provides that the
31 district is created notwithstanding certain laws
32 relating to consent. The revised law omits that
33 provision as executed because the district has been
34 created. The omitted law reads:

35 Sec. 1. Notwithstanding provisions
36 of the general laws relating to consent by
37 political subdivisions for the creation of
38 conservation and reclamation districts,
39 [there is hereby created . . . a
40 conservation and reclamation district]
41

1 (3) Section 1, Chapter 693, Acts of the 62nd
2 Legislature, Regular Session, 1971, refers to the
3 district as "a governmental agency and a body politic
4 and corporate." The revised law omits the quoted
5 language because it duplicates a portion of Section
6 59(b), Article XVI, Texas Constitution, which provides
7 that a conservation and reclamation district is a
8 governmental agency and a body politic and corporate.

9 Revised Law

10 Sec. 8290.003. 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 boundaries
13 of the district will benefit from the works and projects
14 accomplished by the district under the powers conferred by Section
15 59, Article XVI, 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 62nd Leg., R.S., Ch. 693, Secs. 1 (part), 3.)

19 Source Law

20 Sec. 1. . . . The creation and establishment of
21 the district is hereby declared to be essential to the
22 accomplishment of the purposes of Article XVI, Section
23 59 of the Constitution of Texas.

24 Sec. 3. It is determined and found that all of
25 the land and other property included within the area
26 and boundaries of the district will be benefited by the
27 works and project which are to be accomplished by the
28 district pursuant to the powers conferred by the
29 provisions of Article XVI, Section 59 of the
30 Constitution of Texas, and that said district is
31 created to serve a public use and benefit.

32 Revisor's Note

33 (1) Section 1, Chapter 693, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that the
35 "creation and establishment" of the district are
36 essential to accomplish the purposes of Section 59,
37 Article XVI, Texas Constitution. The revised law
38 omits "establishment" because its meaning is included
39 in the meaning of "creation."

1 (2) Section 3, Chapter 693, Acts of the 62nd
2 Legislature, Regular Session, 1971, refers to land and
3 other property included within the "area and
4 boundaries of the district." The revised law omits the
5 reference to "area" because, in context, "area" is
6 included in the meaning of "boundaries."

7 Revised Law

8 Sec. 8290.004. DISTRICT TERRITORY. (a) The district is
9 composed of the territory described by Section 4, Chapter 693, Acts
10 of the 62nd Legislature, Regular Session, 1971, as that territory
11 may have been 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 copying the field notes in the legislative
17 process or another mistake in the field notes does not affect:

18 (1) the district's organization, existence, or
19 validity;

20 (2) the district's right to issue any type of bonds for
21 a purpose for which the district is created or to pay the principal
22 of and interest on the bonds;

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. (Acts 62nd Leg., R.S., Ch. 693, Sec. 2; New.)

26 Source Law

27 Sec. 2. It is determined and found that the
28 boundaries and field notes of the district form a
29 closure. If any mistake is made in copying the field
30 notes in the legislative process or otherwise a
31 mistake is made in the field notes, it shall in no way
32 affect the organization, existence and validity of the
33 district, or the right of the district to issue any
34 type of bonds or refunding bonds for the purposes for
35 which the district is created or to pay the principal
36 and interest thereon, or the right to assess, levy and
37 collect taxes, or in any other manner affect the
38 legality or operation of the district or its governing
39 body.

1 Revisor's Note

2 (1) The revision of the law governing the
3 district does not revise the statutory language
4 describing the territory of the district to avoid the
5 lengthy recitation of the description and because that
6 description may not be accurate on the effective date
7 of the revision or at the time of a later reading. For
8 the reader's convenience, the revised law includes
9 references to the statutory description of the
10 district's territory and to the authority to change the
11 district's territory under Subchapter H, Chapter 54,
12 Water Code, applicable to municipal utility districts,
13 and under Subchapter J, Chapter 49, Water Code,
14 applicable to the district under Sections 49.001 and
15 49.002 of that chapter. The revised law also includes
16 a reference to the general authority of the
17 legislature to enact a law to change the district's
18 territory.

19 (2) Section 2, Chapter 693, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that a
21 mistake in the description of the district boundaries
22 does not affect the right of the district to issue "any
23 type of bonds or refunding bonds." The revised law
24 omits the reference to "refunding bonds" because
25 refunding bonds are included in the meaning of "any
26 type of bonds."

27 (3) Section 2, Chapter 693, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to the
29 district's authority to "assess, levy and collect"
30 taxes. The revised law substitutes "impose" for
31 "assess, levy and collect" because "impose" is the
32 term generally used in Title 1, Tax Code, and includes
33 the assessment, levy, and collection of a tax.

34 [Sections 8290.005-8290.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Revised Law

3 Sec. 8290.051. COMPOSITION OF BOARD. The board of
4 directors is composed of five elected directors. (Acts 62nd Leg.,
5 R.S., Ch. 693, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . Succeeding directors shall be
8 elected or

9 Revisor's Note

10 (1) Section 6, Chapter 693, Acts of the 62nd
11 Legislature, Regular Session, 1971, refers to the
12 initial board of directors and to vacancy procedures.
13 The revised law omits the language relating to the
14 creation of the initial board as executed. The revised
15 law omits the language relating to vacancy procedures
16 for the initial board as executed and, to the extent
17 the language may apply to subsequently appointed
18 directors, because it duplicates in substance Section
19 49.105(c), Water Code. That section applies to the
20 district under Sections 49.001 and 49.002, Water Code.
21 The omitted law reads:

22 Sec. 6. Immediately after this Act
23 becomes effective, the following named
24 persons shall be the directors of the
25 district and shall constitute the board of
26 directors of the district:

27 Charles W. Magan
28 David Bumgardner
29 H. A. Bornefeld, Jr.
30 Robert J. Hartsfield
31 Robert A. Gardner, Jr.

32 Said persons shall qualify to serve as
33 directors prior to the first meeting of the
34 board of directors. Should any of the above
35 named directors fail to qualify for any
36 reason, the remaining named directors shall
37 appoint someone to fill such vacancy or
38 vacancies; provided, however, that if at
39 any time the number of qualified directors
40 shall be less than three because of the
41 failure or refusal of one or more directors
42 to qualify or serve or because of his or
43 their death or incapacitation, or for any
44 such other reason, the Texas Water Rights
45 Commission shall appoint the necessary
46 number of directors to fill all vacancies on
47 the board. The directors above named or
48 their duly appointed and qualified

1 successor or successors shall serve until
2 the second Saturday in January, 1973. . . .

3 (2) Section 6, Chapter 693, Acts of the 62nd
4 Legislature, Regular Session, 1971, refers to
5 "[s]ucceeding directors" to distinguish the
6 succeeding directors from the initial directors named
7 in that section. The revised law substitutes "five"
8 for "succeeding" to conform to the number of directors
9 listed in Section 6 (establishing the initial board).

10 (3) Section 6, Chapter 693, Acts of the 62nd
11 Legislature, Regular Session, 1971, provides for
12 directors to be elected or appointed and to serve for
13 the term and in the manner provided by Chapter 54,
14 Water Code. Chapter 715, Acts of the 74th Legislature,
15 Regular Session, 1995, repealed the relevant
16 provisions of Chapter 54 and enacted similar
17 provisions in Chapter 49, Water Code, including
18 Section 49.103, which governs the terms of office and
19 manner of election of directors of a municipal utility
20 district that is required by law to elect its
21 directors. The revised law omits any reference to
22 Chapter 49, Water Code, because Chapter 49 applies to
23 the district under Sections 49.001 and 49.002 of that
24 chapter. The revised law also omits "appointed"
25 because it is clear from the context of Section 6 that
26 the reference applies only to directors appointed to
27 fill vacancies as provided by Chapter 49, Water Code.
28 The omitted law reads:

29 Sec. 6. . . . [Succeeding directors
30 shall be elected or] appointed and shall
31 serve for the term and in the manner
32 provided by Chapter 54, Title 4, Water Code,
33 for directors first elected.

34 [Sections 8290.052-8290.100 reserved for expansion]

35 SUBCHAPTER C. POWERS AND DUTIES

36 Revised Law

37 Sec. 8290.101. MUNICIPAL UTILITY DISTRICT POWERS. The

1 district has the rights, powers, privileges, and functions
2 conferred by general law applicable to a municipal utility
3 district, including Chapters 49 and 54, Water Code. (Acts 62nd
4 Leg., R.S., Ch. 693, Sec. 5 (part); New.)

5 Source Law

6 Sec. 5. The district is hereby vested with, and
7 shall have and exercise, all of the rights, powers,
8 privileges, authority and functions conferred by the
9 general laws of this state applicable to municipal
10 utility districts, including without limitation those
11 conferred by Chapter 54, Title 4, Water Code, but
12

13 Revisor's Note

14 (1) Section 5, Chapter 693, Acts of the 62nd
15 Legislature, Regular Session, 1971, provides that the
16 district "is hereby vested with, and shall have and
17 exercise" certain powers. The revised law substitutes
18 "has" for the quoted language because, in context, the
19 terms are synonymous and "has" is more commonly used.

20 (2) Section 5, Chapter 693, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to the
22 "rights, powers, privileges, [and] authority" of the
23 district. The revised law omits the reference to
24 "authority" because, in context, "authority" is
25 included in the meaning of "rights, powers, [and]
26 privileges."

27 (3) Section 5, Chapter 693, Acts of the 62nd
28 Legislature, Regular Session, 1971, grants the
29 district certain powers, "including without
30 limitation those conferred by Chapter 54, Title 4,
31 Water Code." The revised law omits "without
32 limitation" because Section 311.005(13), Government
33 Code (Code Construction Act), provides that "includes"
34 and "including" are terms of enlargement and not of
35 limitation and do not create a presumption that
36 components not expressed are excluded.

37 (4) Section 5, Chapter 693, Acts of the 62nd

1 Legislature, Regular Session, 1971, refers to Chapter
2 54, Water Code. For the reader's convenience, the
3 revised law adds a reference to Chapter 49, Water Code,
4 because Chapter 715, Acts of the 74th Legislature,
5 Regular Session, 1995, repealed many provisions of
6 Chapter 54 and enacted similar provisions in Chapter
7 49, Water Code, which applies to the district under
8 Sections 49.001 and 49.002 of that chapter.

9 (5) Section 5, Chapter 693, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that the
11 act prevails over general law in case of a conflict or
12 other inconsistency and that all general laws
13 applicable to municipal utility districts not in
14 conflict or inconsistent with the provisions of the
15 act are adopted and incorporated by reference. The
16 revised law omits the portion of the provision
17 relating to the act prevailing over general law
18 because it duplicates in substance Section 311.026(b),
19 Government Code (Code Construction Act). The revised
20 law omits the portion of the provision relating to
21 adoption and incorporation of general laws because
22 Section 5 of Chapter 693 (revised as this section)
23 already provides that those laws apply to the
24 district, and it is unnecessary to repeat that
25 authority. The omitted law reads:

26 Sec. 5. . . . if any provision of
27 such general laws shall be in conflict or
28 inconsistent with the provisions of this
29 Act, the provisions of this Act shall
30 prevail. All such general laws applicable
31 to municipal utility districts not in
32 conflict or inconsistent with the
33 provisions of this Act are hereby adopted
34 and incorporated by reference with the same
35 effect as if copied in full in this Act.

36 Revisor's Note
37 (End of Chapter)

38 (1) Section 7, Chapter 693, Acts of the 62nd
39 Legislature, Regular Session, 1971, contains

1 legislative findings relating to the performance of
2 the requirements of Section 59(d), Article XVI, Texas
3 Constitution, and to the authority of the legislature
4 to enact that chapter. The revised law omits the
5 provision as executed. The omitted law reads:

6 Sec. 7. The Legislature specifically
7 finds and declares that the requirements of
8 Article XVI, Section 59(d) of the
9 Constitution of Texas have been performed
10 and accomplished in due course and time and
11 order, and that the Legislature has the
12 power and authority to enact this Act.

13 (2) Section 8, Chapter 693, Acts of the 62nd
14 Legislature, Regular Session, 1971, provides that the
15 act is severable. The revised law omits that provision
16 because it duplicates Section 311.032, Government Code
17 (Code Construction Act), which provides that a
18 provision of a statute is severable from each other
19 provision of the statute that can be given effect. The
20 omitted law reads:

21 Sec. 8. If any word, phrase, clause,
22 paragraph, sentence, part, portion or
23 provision of this Act or the application
24 thereof to any person or circumstance shall
25 be held to be invalid or unconstitutional,
26 the remainder of the Act shall nevertheless
27 be valid and the Legislature hereby
28 declares that this Act would have been
29 enacted without such invalid or
30 unconstitutional word, phrase, clause,
31 paragraph, sentence, part, portion or
32 provision.

33 CHAPTER 8291. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

34 SUBCHAPTER A. GENERAL PROVISIONS

35 Sec. 8291.001. DEFINITIONS 1940
36 Sec. 8291.002. NATURE OF DISTRICT 1940
37 Sec. 8291.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1941
38 Sec. 8291.004. DISTRICT TERRITORY 1942

39 [Sections 8291.005-8291.050 reserved for expansion]

40 SUBCHAPTER B. BOARD OF DIRECTORS

41 Sec. 8291.051. COMPOSITION OF BOARD 1944

42 [Sections 8291.052-8291.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8291.101. MUNICIPAL UTILITY DISTRICT POWERS 1946

3 CHAPTER 8291. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Revised Law

6 Sec. 8291.001. DEFINITIONS. In this chapter:

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

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

9 (3) "District" means the Montgomery County Municipal
10 Utility District No. 7. (Acts 62nd Leg., R.S., Ch. 694, Sec. 1
11 (part); New.)

12 Source Law

13 Sec. 1. . . . [a . . . district] . . . to be
14 known as "Montgomery County Municipal Utility District
15 No. 7," hereinafter called the "district,"

16 Revisor's Note

17 The definitions of "board" and "director" are
18 added to the revised law for drafting convenience and
19 to eliminate frequent, unnecessary repetition of the
20 substance of the definitions.

21 Revised Law

22 Sec. 8291.002. NATURE OF DISTRICT. The district is a
23 conservation and reclamation district in Montgomery County created
24 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
25 R.S., Ch. 694, Sec. 1 (part).)

26 Source Law

27 Sec. 1. . . . there is hereby created and
28 established, under and pursuant to the provisions of
29 Article XVI, Section 59 of the Constitution of Texas, a
30 conservation and reclamation district in Montgomery
31 County, Texas, . . . which shall be a governmental
32 agency and a body politic and corporate. . . .

33 Revisor's Note

34 (1) Section 1, Chapter 694, Acts of the 62nd
35 Legislature, Regular Session, 1971, provides that the
36 district is "created and established." The revised
37 law omits "established" because the meaning of that
38 word is included in the meaning of "created."

1 (2) Section 1, Chapter 694, Acts of the 62nd
2 Legislature, Regular Session, 1971, provides that the
3 district is created notwithstanding certain laws
4 relating to consent. The revised law omits that
5 provision as executed because the district has been
6 created. The omitted law reads:

7 Sec. 1. Notwithstanding provisions
8 of the general laws relating to consent by
9 political subdivisions for the creation of
10 conservation and reclamation districts,
11 [there is hereby created . . . a
12 conservation and reclamation district]
13

14 (3) Section 1, Chapter 694, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to the
16 district as "a governmental agency and a body politic
17 and corporate." The revised law omits the quoted
18 language because it duplicates a portion of Section
19 59(b), Article XVI, Texas Constitution, which provides
20 that a conservation and reclamation district is a
21 governmental agency and a body politic and corporate.

22 Revised Law

23 Sec. 8291.003. 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
28 59, Article XVI, Texas Constitution.

29 (c) The creation of the district is essential to accomplish
30 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
31 62nd Leg., R.S., Ch. 694, Secs. 1 (part), 3.)

32 Source Law

33 Sec. 1. . . . The creation and establishment of
34 the district is hereby declared to be essential to the
35 accomplishment of the purposes of Article XVI, Section
36 59 of the Constitution of Texas.

37 Sec. 3. It is determined and found that all of
38 the land and other property included within the area
39 and boundaries of the district will be benefited by the
40 works and project which are to be accomplished by the
41 district pursuant to the powers conferred by the

1 provisions of Article XVI, Section 59 of the
2 Constitution of Texas, and that said district is
3 created to serve a public use and benefit.

4 Revisor's Note

5 (1) Section 1, Chapter 694, Acts of the 62nd
6 Legislature, Regular Session, 1971, provides that the
7 "creation and establishment" of the district are
8 essential to accomplish the purposes of Section 59,
9 Article XVI, Texas Constitution. The revised law
10 omits "establishment" because its meaning is included
11 in the meaning of "creation."

12 (2) Section 3, Chapter 694, Acts of the 62nd
13 Legislature, Regular Session, 1971, refers to land and
14 other property included within the "area and
15 boundaries of the district." The revised law omits the
16 reference to "area" because, in context, "area" is
17 included in the meaning of "boundaries."

18 Revised Law

19 Sec. 8291.004. DISTRICT TERRITORY. (a) The district is
20 composed of the territory described by Section 4, Chapter 694, Acts
21 of the 62nd Legislature, Regular Session, 1971, 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 copying the field notes in the legislative
28 process or another mistake in the field notes does not affect:

- 29 (1) the district's organization, existence, or
30 validity;
31 (2) the district's right to issue any type of bonds for
32 a purpose for which the district is created or to pay the principal
33 of and interest on the bonds;
34 (3) the district's right to impose a tax; or
35 (4) the legality or operation of the district or its
36 governing body. (Acts 62nd Leg., R.S., Ch. 694, Sec. 2; New.)

1 Source Law

2 Sec. 2. It is determined and found that the
3 boundaries and field notes of the district form a
4 closure. If any mistake is made in copying the field
5 notes in the legislative process or otherwise a
6 mistake is made in the field notes, it shall in no way
7 affect the organization, existence and validity of the
8 district, or the right of the district to issue any
9 type of bonds or refunding bonds for the purposes for
10 which the district is created or to pay the principal
11 and interest thereon, or the right to assess, levy and
12 collect taxes, or in any other manner affect the
13 legality or operation of the district or its governing
14 body.

15 Revisor's Note

16 (1) The revision of the law governing the
17 district does not revise the statutory language
18 describing the territory of the district to avoid the
19 lengthy recitation of the description and because that
20 description may not be accurate on the effective date
21 of the revision or at the time of a later reading. For
22 the reader's convenience, the revised law includes
23 references to the statutory description of the
24 district's territory and to the authority to change the
25 district's territory under Subchapter H, Chapter 54,
26 Water Code, applicable to municipal utility districts,
27 and under Subchapter J, Chapter 49, Water Code,
28 applicable to the district under Sections 49.001 and
29 49.002 of that chapter. The revised law also includes
30 a reference to the general authority of the
31 legislature to enact a law to change the district's
32 territory.

33 (2) Section 2, Chapter 694, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that a
35 mistake in the description of the district boundaries
36 does not affect the right of the district to issue "any
37 type of bonds or refunding bonds." The revised law
38 omits the reference to "refunding bonds" because
39 refunding bonds are included in the meaning of "any
40 type of bonds."

1 (3) Section 2, Chapter 694, Acts of the 62nd
2 Legislature, Regular Session, 1971, refers to the
3 district's authority to "assess, levy and collect"
4 taxes. The revised law substitutes "impose" for
5 "assess, levy and collect" because "impose" is the
6 term generally used in Title 1, Tax Code, and includes
7 the assessment, levy, and collection of a tax.

8 [Sections 8291.005-8291.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Revised Law

11 Sec. 8291.051. COMPOSITION OF BOARD. The board of
12 directors is composed of five elected directors. (Acts 62nd Leg.,
13 R.S., Ch. 694, Sec. 6 (part).)

14 Source Law

15 Sec. 6. . . . Succeeding directors shall be
16 elected or

17 Revisor's Note

18 (1) Section 6, Chapter 694, Acts of the 62nd
19 Legislature, Regular Session, 1971, refers to the
20 initial board of directors and to vacancy procedures.
21 The revised law omits the language relating to the
22 creation of the initial board as executed. The revised
23 law omits the language relating to vacancy procedures
24 for the initial board as executed and, to the extent
25 the language may apply to subsequently appointed
26 directors, because it duplicates in substance Section
27 49.105(c), Water Code. That section applies to the
28 district under Sections 49.001 and 49.002, Water Code.
29 The omitted law reads:

30 Sec. 6. Immediately after this Act
31 becomes effective, the following named
32 persons shall be the directors of the
33 district and shall constitute the board of
34 directors of the district:

35 David B. Hendricks
36 Joyce D. Gay
37 Paul W. Wommack
38 Sandra L. Snell
39 Jack J. Yovanovich

40 Said persons shall qualify to serve as

1 directors prior to the first meeting of the
2 board of directors. Should any of the above
3 named directors fail to qualify for any
4 reason, the remaining named directors shall
5 appoint someone to fill such vacancy or
6 vacancies; provided, however, that if at
7 any time the number of qualified directors
8 shall be less than three because of the
9 failure or refusal of one or more directors
10 to qualify or serve or because of his or
11 their death or incapacitation, or for any
12 such other reason, the Texas Water Rights
13 Commission shall appoint the necessary
14 number of directors to fill all vacancies on
15 the board. The directors above named or
16 their duly appointed and qualified
17 successor or successors shall serve until
18 the second Saturday in January, 1973. . . .

19 (2) Section 6, Chapter 694, Acts of the 62nd
20 Legislature, Regular Session, 1971, refers to
21 "[s]ucceeding directors" to distinguish the
22 succeeding directors from the initial directors named
23 in that section. The revised law substitutes "five"
24 for "succeeding" to conform to the number of directors
25 listed in Section 6 (establishing the initial board).

26 (3) Section 6, Chapter 694, Acts of the 62nd
27 Legislature, Regular Session, 1971, provides for
28 directors to be elected or appointed and to serve for
29 the term and in the manner provided by Chapter 54,
30 Water Code. Chapter 715, Acts of the 74th Legislature,
31 Regular Session, 1995, repealed the relevant
32 provisions of Chapter 54 and enacted similar
33 provisions in Chapter 49, Water Code, including
34 Section 49.103, which governs the terms of office and
35 manner of election of directors of a municipal utility
36 district that is required by law to elect its
37 directors. The revised law omits any reference to
38 Chapter 49, Water Code, because Chapter 49 applies to
39 the district under Sections 49.001 and 49.002 of that
40 chapter. The revised law also omits "appointed"
41 because it is clear from the context of Section 6 that
42 the reference applies only to directors appointed to
43 fill vacancies as provided by Chapter 49, Water Code.

1 The omitted law reads:

2 Sec. 6. . . . [Succeeding directors
3 shall be elected or] appointed and shall
4 serve for the term and in the manner
5 provided by Chapter 54, Title 4, Water Code,
6 for directors first elected.

7 [Sections 8291.052-8291.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Revised Law

10 Sec. 8291.101. MUNICIPAL UTILITY DISTRICT POWERS. The
11 district has the rights, powers, privileges, and functions
12 conferred by general law applicable to a municipal utility
13 district, including Chapters 49 and 54, Water Code. (Acts 62nd
14 Leg., R.S., Ch. 694, Sec. 5 (part); New.)

15 Source Law

16 Sec. 5. The district is hereby vested with, and
17 shall have and exercise, all of the rights, powers,
18 privileges, authority and functions conferred by the
19 general laws of this state applicable to municipal
20 utility districts, including without limitation those
21 conferred by Chapter 54, Title 4, Water Code, but
22

23 Revisor's Note

24 (1) Section 5, Chapter 694, Acts of the 62nd
25 Legislature, Regular Session, 1971, provides that the
26 district "is hereby vested with, and shall have and
27 exercise" certain powers. The revised law substitutes
28 "has" for the quoted language because, in context, the
29 terms are synonymous and "has" is more commonly used.

30 (2) Section 5, Chapter 694, Acts of the 62nd
31 Legislature, Regular Session, 1971, refers to the
32 "rights, powers, privileges, [and] authority" of the
33 district. The revised law omits the reference to
34 "authority" because, in context, "authority" is
35 included in the meaning of "rights, powers, [and]
36 privileges."

37 (3) Section 5, Chapter 694, Acts of the 62nd
38 Legislature, Regular Session, 1971, grants the
39 district certain powers, "including without

1 limitation those conferred by Chapter 54, Title 4,
2 Water Code." The revised law omits "without
3 limitation" because Section 311.005(13), Government
4 Code (Code Construction Act), provides that "includes"
5 and "including" are terms of enlargement and not of
6 limitation and do not create a presumption that
7 components not expressed are excluded.

8 (4) Section 5, Chapter 694, Acts of the 62nd
9 Legislature, Regular Session, 1971, refers to Chapter
10 54, Water Code. For the reader's convenience, the
11 revised law adds a reference to Chapter 49, Water Code,
12 because Chapter 715, Acts of the 74th Legislature,
13 Regular Session, 1995, repealed many provisions of
14 Chapter 54 and enacted similar provisions in Chapter
15 49, Water Code, which applies to the district under
16 Sections 49.001 and 49.002 of that chapter.

17 (5) Section 5, Chapter 694, Acts of the 62nd
18 Legislature, Regular Session, 1971, provides that the
19 act prevails over general law in case of a conflict or
20 other inconsistency and that all general laws
21 applicable to municipal utility districts not in
22 conflict or inconsistent with the provisions of the
23 act are adopted and incorporated by reference. The
24 revised law omits the portion of the provision
25 relating to the act prevailing over general law
26 because it duplicates in substance Section 311.026(b),
27 Government Code (Code Construction Act). The revised
28 law omits the portion of the provision relating to
29 adoption and incorporation of general laws because
30 Section 5 of Chapter 694 (revised as this section)
31 already provides that those laws apply to the
32 district, and it is unnecessary to repeat that
33 authority. The omitted law reads:

34 Sec. 5. . . . if any provision of
35 such general laws shall be in conflict or

1 inconsistent with the provisions of this
2 Act, the provisions of this Act shall
3 prevail. All such general laws applicable
4 to municipal utility districts not in
5 conflict or inconsistent with the
6 provisions of this Act are hereby adopted
7 and incorporated by reference with the same
8 effect as if copied in full in this Act.

9 Revisor's Note
10 (End of Chapter)

11 (1) Section 7, Chapter 694, Acts of the 62nd
12 Legislature, Regular Session, 1971, contains
13 legislative findings relating to the performance of
14 the requirements of Section 59(d), Article XVI, Texas
15 Constitution, and to the authority of the legislature
16 to enact that chapter. The revised law omits the
17 provision as executed. The omitted law reads:

18 Sec. 7. The Legislature specifically
19 finds and declares that the requirements of
20 Article XVI, Section 59(d) of the
21 Constitution of Texas have been performed
22 and accomplished in due course and time and
23 order, and that the Legislature has the
24 power and authority to enact this Act.

25 (2) Section 8, Chapter 694, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 act is severable. The revised law omits that provision
28 because it duplicates Section 311.032, Government Code
29 (Code Construction Act), which provides that a
30 provision of a statute is severable from each other
31 provision of the statute that can be given effect. The
32 omitted law reads:

33 Sec. 8. If any word, phrase, clause,
34 paragraph, sentence, part, portion or
35 provision of this Act or the application
36 thereof to any person or circumstance shall
37 be held to be invalid or unconstitutional,
38 the remainder of the Act shall nevertheless
39 be valid and the Legislature hereby
40 declares that this Act would have been
41 enacted without such invalid or
42 unconstitutional word, phrase, clause,
43 paragraph, sentence, part, portion or
44 provision.

45 CHAPTER 8292. MONTGOMERY COUNTY MUNICIPAL UTILITY

46 DISTRICT NO. 67

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 8292.001. DEFINITIONS 1949

3 Sec. 8292.002. NATURE OF DISTRICT 1950

4 Sec. 8292.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1950

5 Sec. 8292.004. DISTRICT TERRITORY 1951

6 [Sections 8292.005-8292.050 reserved for expansion]

7 SUBCHAPTER B. BOARD OF DIRECTORS

8 Sec. 8292.051. COMPOSITION OF BOARD; TERMS 1953

9 Sec. 8292.052. BOARD VACANCY 1954

10 [Sections 8292.053-8292.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8292.101. MUNICIPAL UTILITY DISTRICT POWERS 1956

13 Sec. 8292.102. WATER CONSERVATION PROGRAM 1957

14 CHAPTER 8292. MONTGOMERY COUNTY MUNICIPAL UTILITY

15 DISTRICT NO. 67

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Revised Law

18 Sec. 8292.001. 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 Montgomery County Municipal
- 23 Utility District No. 67. (Acts 69th Leg., R.S., Ch. 756, Secs. 1(a)
- 24 (part), 2; New.)

25 Source Law

26 Sec. 1. (a) . . . [a . . . district] . . . to

27 be known as "Montgomery County Municipal Utility

28 District No. 67." . . .

29 Sec. 2. In this Act, "district" means the

30 Montgomery County Municipal Utility District No. 67.

31 Revisor's Note

32 The definitions of "board" and "director" are

33 added to the revised law for drafting convenience and

34 to eliminate frequent, unnecessary repetition of the

35 substance of the definitions.

1 Revised Law

2 Sec. 8292.002. NATURE OF DISTRICT. The district is a
3 conservation and reclamation district in Montgomery County created
4 under Section 59, Article XVI, Texas Constitution. (Acts 69th
5 Leg., R.S., Ch. 756, Sec. 1(a) (part).)

6 Source Law

7 Sec. 1. (a) Pursuant to Article XVI, Section
8 59, of the Texas Constitution and . . . a conservation
9 and reclamation district is created in Montgomery
10 County, Texas,

11 Revisor's Note

12 (1) Section 1(a), Chapter 756, Acts of the 69th
13 Legislature, Regular Session, 1985, refers to a
14 confirmation election. Because the confirmation
15 election has already been held, the revised law omits
16 the provision as executed. The omitted law reads:

17 (a) . . . subject to approval of the
18 qualified voters voting at a confirmation
19 election to be held as provided by Sections
20 54.026 through 54.029, Water Code, [a . . .
21 district is created]

22 (2) Section 1(a), Chapter 756, Acts of the 69th
23 Legislature, Regular Session, 1985, provides that the
24 district is "a governmental agency and a body politic
25 and corporate." The revised law omits the provision
26 because it duplicates a portion of Section 59(b),
27 Article XVI, Texas Constitution, which provides that a
28 conservation and reclamation district is a
29 governmental agency and a body politic and corporate.
30 The omitted law reads:

31 (a) . . . The district shall be a
32 governmental agency and a body politic and
33 corporate.

34 Revised Law

35 Sec. 8292.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
36 The district is created to serve a public use and benefit.

37 (b) All land and other property included in the boundaries
38 of the district will benefit from the works and projects
39 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. 756, Secs. 1(b), 5.)

5 Source Law

6 [Sec. 1]

7 (b) The creation of the district is declared to
8 be essential to the accomplishment of the purposes of
9 Article XVI, Section 59, of the Texas Constitution.

10 Sec. 5. The legislature finds that all of the
11 land and other property included within the boundaries
12 of the district will be benefited by the works and
13 projects that are to be accomplished by the district
14 under powers conferred by Article XVI, Section 59, of
15 the Texas Constitution and that the district is
16 created to serve a public use and benefit.

17 Revised Law

18 Sec. 8292.004. DISTRICT TERRITORY. (a) The district is
19 composed of the territory described by Section 3, Chapter 756, Acts
20 of the 69th Legislature, Regular Session, 1985, 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:

28 (1) the district's organization, existence, or
29 validity;

30 (2) the district's right to issue any type of bonds for
31 a purpose for which the district is created or to pay the principal
32 of and interest on the bonds;

33 (3) the district's right to impose a tax; or

34 (4) the legality or operation of the district or its
35 governing board. (Acts 69th Leg., R.S., Ch. 756, Sec. 4; New.)

36 Source Law

37 Sec. 4. The legislature finds that the
38 boundaries and field notes of the district form a
39 closure. If any mistake is made in the field notes or
40 in copying the field notes in the legislative process,
41 it in no way affects the organization, existence, or

1 validity of the district, or the right of the district
2 to issue any type of bonds or refunding bonds for the
3 purposes for which the district is created or to pay
4 the principal of and interest on the bonds, or the
5 right of the district to levy and collect taxes, or in
6 any other manner affects the legality or operation of
7 the district or its governing board.

8 Revisor's Note

9 (1) The revision of the law governing the
10 district does not revise the statutory language
11 describing the territory of the district to avoid the
12 lengthy recitation of the description and because that
13 description may not be accurate on the effective date
14 of the revision or at the time of a later reading. For
15 the reader's convenience, the revised law includes
16 references to the statutory description of the
17 district's territory and to the authority to change the
18 district's territory under Subchapter H, Chapter 54,
19 Water Code, applicable to municipal utility districts,
20 and Subchapter J, Chapter 49, Water Code, applicable
21 to the district under Sections 49.001 and 49.002 of
22 that chapter. The revised law also includes a
23 reference to the general authority of the legislature
24 to enact a law to change the district's territory.

25 (2) Section 4, Chapter 756, Acts of the 69th
26 Legislature, Regular Session, 1985, provides that a
27 mistake in the description of district boundaries does
28 not affect the right of the district to issue "any type
29 of bonds or refunding bonds." The revised law omits
30 the reference to "refunding bonds" because refunding
31 bonds are included in the meaning of "any type of
32 bonds."

33 (3) Section 4, Chapter 756, Acts of the 69th
34 Legislature, Regular Session, 1985, refers to the
35 district's authority to "levy and collect" taxes. The
36 revised law substitutes "impose" for "levy and
37 collect" because "impose" is the term generally used
38 in Title 1, Tax Code, and includes the levy and

1 collection of a tax.

2 [Sections 8292.005-8292.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Revised Law

5 Sec. 8292.051. COMPOSITION OF BOARD; TERMS. (a) The
6 district is governed by a board of five elected directors.

7 (b) Directors serve staggered four-year terms. (Acts 69th
8 Leg., R.S., Ch. 756, Secs. 8(a), 10 (part).)

9 Source Law

10 Sec. 8. (a) The district is governed by a board
11 of five directors.

12 Sec. 10. . . . all directors elected serve
13 four-year terms.

14 Revisor's Note

15 Section 10, Chapter 756, Acts of the 69th
16 Legislature, Regular Session, 1985, provides that the
17 district shall hold an election to elect initial
18 directors, whose two-year or four-year terms begin the
19 staggering of terms, and shall hold subsequent
20 elections for directors in even-numbered years on the
21 first Saturday in April. The revised law preserves the
22 provision for staggered terms but omits the provision
23 regarding the initial election as executed and omits
24 the provision regarding subsequent elections as
25 superseded by the 1995 enactment of Section 49.103,
26 Water Code. Section 49.103 requires the election of
27 the appropriate number of directors to be held on the
28 uniform election date in May of even-numbered years.
29 Throughout this chapter, the revised law omits law
30 that is superseded by Chapter 49, Water Code, or that
31 duplicates law contained in that chapter. Chapter 49,
32 Water Code, applies to the district under Sections
33 49.001 and 49.002 of that code. The omitted law reads:

34 Sec. 10. On the first Saturday in
35 April in the first even-numbered year
36 following the confirmation and director
37 election, an election for directors to fill

1 all five positions on the board shall be
2 held. Unless otherwise agreed, the two
3 directors elected with the fewest number of
4 votes serve until April in the next
5 following even-numbered year, and the three
6 with the highest number of votes serve until
7 April in the second following even-numbered
8 year. Subsequent elections shall be held on
9 the first Saturday in April of
10 even-numbered years, and

11 Revised Law

12 Sec. 8292.052. BOARD VACANCY. (a) Except as provided by
13 Subsection (b), if a director fails to qualify for office, the
14 remaining directors shall appoint a person to fill the vacancy
15 until the next election of directors for the district. If the
16 vacant position is not regularly scheduled to be filled at that
17 election, the person elected at that election to fill the vacancy
18 serves only for the unexpired term.

19 (b) If at any time there are fewer than three qualified
20 directors, the Texas Commission on Environmental Quality shall
21 appoint, on petition of a landowner in the district, the necessary
22 number of directors to fill all vacancies on the board. Persons
23 appointed under this subsection serve the same terms as provided
24 for persons appointed under Subsection (a). (Acts 69th Leg., R.S.,
25 Ch. 756, Sec. 8(d).)

26 Source Law

27 (d) If a director fails to qualify for office,
28 the remaining directors shall appoint a person to fill
29 the vacancy until the next election of directors for
30 the district. If the vacant position is not regularly
31 scheduled to be filled at that election, the person
32 elected at that election to fill the vacancy shall
33 serve only for the unexpired term. If at any time the
34 number of qualified directors is less than three
35 because of the failure, refusal, or inability of one or
36 more directors to qualify or serve because of death or
37 incapacitation, or for any other reason, the Texas
38 Water Commission, on petition of any landowner in the
39 district, shall appoint the necessary number of
40 directors to fill all vacancies on the board for the
41 same terms as provided for persons filling vacancies
42 by appointment of the board.

43 Revisor's Note

44 (1) Section 8(d), Chapter 756, Acts of the 69th
45 Legislature, Regular Session, 1985, refers to a
46 vacancy in the office of director "because of the
47 failure, refusal, or inability of one or more

1 directors to qualify or serve because of death or
2 incapacitation, or for any other reason." The revised
3 law omits the quoted language because it describes
4 every manner in which a vacancy may occur without
5 limiting in any way the duty to fill a vacancy.

6 (2) Section 8(d), Chapter 756, Acts of the 69th
7 Legislature, Regular Session, 1985, refers to the
8 "Texas Water Commission." The revised law substitutes
9 "Texas Commission on Environmental Quality" for "Texas
10 Water Commission" to reflect the current name of the
11 agency with the relevant regulatory authority.

12 Revisor's Note
13 (End of Subchapter)

14 (1) Section 8(b), Chapter 756, Acts of the 69th
15 Legislature, Regular Session, 1985, provides the
16 qualifications for a director. The revised law omits
17 the provision because it duplicates, in substance,
18 Section 54.102, Water Code, which applies to the
19 district under Section 54.001, Water Code. The revised
20 law omits the requirement that a director must not be
21 "otherwise disqualified by law" because other laws
22 regarding disqualification apply by their own terms.
23 The omitted law reads:

24 (b) A director must be at least 18
25 years of age, a resident of this state, and
26 either own taxable land in the district or
27 be a qualified voter in the district, and
28 not otherwise disqualified by law.

29 (2) Section 8(c), Chapter 756, Acts of the 69th
30 Legislature, Regular Session, 1985, requires a person
31 to qualify to serve as director by "taking the oath and
32 executing a bond." The revised law omits the provision
33 requiring a bond because the provision duplicates in
34 substance Section 49.055, Water Code. The revised law
35 omits the provision requiring an oath because the
36 provision duplicates the requirement of an oath in
37 Section 1, Article XVI, Texas Constitution. The

1 omitted law reads:

2 (c) Each person shall qualify to
3 serve as director by taking the oath and
4 executing a bond.

5 (3) Section 11, Chapter 756, Acts of the 69th
6 Legislature, Regular Session, 1985, refers to the
7 temporary board of directors and their terms of
8 office. The revised law omits the section as executed.

9 The omitted law reads:

10 Sec. 11. (a) Immediately after this
11 Act takes effect, any landowner in the
12 district may petition the Texas Water
13 Commission to appoint five persons
14 qualified under Section 8(b) of this Act to
15 serve as temporary directors of the
16 district.

17 (b) The temporary directors serve:

18 (1) until permanent directors
19 are elected at the confirmation and
20 director election as required under Section
21 1(a) of this Act and qualify; or

22 (2) if permanent directors are
23 not elected, four-year terms.

24 (c) If the temporary directors' terms
25 expire in accordance with Subsection (b)(2)
26 of this section, the Texas Water Commission
27 on petition of a landowner in the district
28 shall appoint temporary directors to fill
29 those vacancies and to serve as provided by
30 Subsection (b).

31 [Sections 8292.053-8292.100 reserved for expansion]

32 SUBCHAPTER C. POWERS AND DUTIES

33 Revised Law

34 Sec. 8292.101. MUNICIPAL UTILITY DISTRICT POWERS. The
35 district has the rights, powers, privileges, and functions provided
36 by general law applicable to a municipal utility district created
37 under Section 59, Article XVI, Texas Constitution, including
38 Chapters 49 and 54, Water Code. (Acts 69th Leg., R.S., Ch. 756,
39 Sec. 6(a) (part); New.)

40 Source Law

41 Sec. 6. (a) The district has all of the rights,
42 powers, privileges, authority, and functions provided
43 by the general law of the state for municipal utility
44 districts created under Article XVI, Section 59, of
45 the Texas Constitution, including those provided by
46 Chapter 54, Water Code. . . .

47 Revisor's Note

48 (1) Section 6(a), Chapter 756, Acts of the 69th

1 Legislature, Regular Session, 1985, refers to the
2 "rights, powers, privileges, [and] authority" of the
3 district. The revised law omits the reference to
4 "authority" because, in context, "authority" is
5 included in the meaning of "rights, powers, [and]
6 privileges."

7 (2) Section 6(a), Chapter 756, Acts of the 69th
8 Legislature, Regular Session, 1985, refers to Chapter
9 54, Water Code. For the reader's convenience, the
10 revised law adds a reference to Chapter 49, Water Code,
11 because Chapter 715, Acts of the 74th Legislature,
12 Regular Session, 1995, repealed many provisions of
13 Chapter 54 and enacted similar provisions in Chapter
14 49, Water Code.

15 (3) Sections 6(a) and (b), Chapter 756, Acts of
16 the 69th Legislature, Regular Session, 1985, provide
17 that the act prevails over general law in case of an
18 inconsistency and that all general laws not
19 inconsistent with the act are adopted and incorporated
20 by reference. The revised law omits the provision
21 relating to the act prevailing over general law
22 because it duplicates in substance Section 311.026(b),
23 Government Code (Code Construction Act). The revised
24 law omits the provision relating to adoption and
25 incorporation of general laws because Section 6 of
26 Chapter 756 (revised as this section) already provides
27 that those laws apply to the district, and it is
28 unnecessary to repeat that authority. The omitted law
29 reads:

30 (a) . . . If any provision of the
31 general law is inconsistent with this Act,
32 this Act prevails.

33 (b) Any general law not inconsistent
34 with this Act is adopted and incorporated by
35 reference.

36 Revised Law

37 Sec. 8292.102. WATER CONSERVATION PROGRAM. (a) In this

1 section, "program of water conservation" means the practices,
2 techniques, and technologies that will reduce water consumption,
3 reduce water loss or waste, improve efficiency in water use, or
4 increase water recycling and reuse so that a water supply is
5 available for future or alternative uses.

6 (b) The district shall adopt and implement a program of
7 water conservation consistent with rules and criteria adopted and
8 enforceable by the Texas Commission on Environmental Quality for
9 similarly situated districts in the region. (Acts 69th Leg., R.S.,
10 Ch. 756, Sec. 7.)

11 Source Law

12 Sec. 7. The district shall adopt and implement a
13 program of water conservation consistent with rules
14 and criteria duly adopted and enforceable by the Texas
15 Department of Water Resources for similarly situated
16 districts in the region. A program of water
17 conservation means the practices, techniques, and
18 technologies that will reduce the consumption of
19 water, reduce the loss or waste of water, improve
20 efficiency in the use of water, or increase the
21 recycling and reuse of water so that a water supply is
22 made available for future or alternative uses.

23 Revisor's Note

24 (1) Section 7, Chapter 756, Acts of the 69th
25 Legislature, Regular Session, 1985, refers to "duly"
26 adopted rules and criteria. The revised law omits
27 "duly" as unnecessary in this context because the word
28 does not add to the clear meaning of the law.

29 (2) Section 7, Chapter 756, Acts of the 69th
30 Legislature, Regular Session, 1985, refers to the
31 "Texas Department of Water Resources." The revised
32 law substitutes "Texas Commission on Environmental
33 Quality" for "Texas Department of Water Resources" to
34 reflect the current name of the agency with the
35 relevant regulatory authority.

36 Revisor's Note
37 (End of Chapter)

38 Section 9, Chapter 756, Acts of the 69th
39 Legislature, Regular Session, 1985, recites
40 legislative findings regarding procedural

1 requirements for the creation of the district under
2 the constitution and other laws of this state and
3 rules, including proper legal notice and consent by
4 other governmental entities to the creation of the
5 district. The revised law omits those provisions as
6 executed. The omitted law reads:

7 Sec. 9. The legislature finds that:

8 (1) all applicable requirements
9 of Subsections (d) and (e) of Article XVI,
10 Section 59, of the Texas Constitution have
11 been accomplished;

12 (2) notice and a copy of this
13 Act have been furnished to all persons and
14 officials required to be notified; and

15 (3) the general law relating to
16 consent by political subdivisions to the
17 creation of conservation and reclamation
18 districts has been complied with, and all
19 requirements of the constitution and laws
20 of this state and the rules and procedures
21 of the legislature with respect to the
22 notice, introduction, and passage of this
23 Act have been fulfilled and accomplished.

24 CHAPTER 8293. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8293.001. DEFINITIONS 1959
27 Sec. 8293.002. NATURE OF DISTRICT 1960
28 Sec. 8293.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1961
29 Sec. 8293.004. DISTRICT TERRITORY 1962

30 [Sections 8293.005-8293.050 reserved for expansion]

31 SUBCHAPTER B. BOARD OF DIRECTORS

32 Sec. 8293.051. COMPOSITION OF BOARD 1964

33 [Sections 8293.052-8293.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Sec. 8293.101. MUNICIPAL UTILITY DISTRICT POWERS 1965

36 CHAPTER 8293. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

37 SUBCHAPTER A. GENERAL PROVISIONS

38 Revised Law

39 Sec. 8293.001. DEFINITIONS. In this chapter:

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

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

42 (3) "District" means the Montgomery County Municipal

1 Utility District No. 9. (Acts 62nd Leg., R.S., Ch. 704, Sec. 1
2 (part); New.)

3 Source Law

4 Sec. 1. . . . [a . . . district] . . . to be
5 known as "Montgomery County Municipal Utility District
6 No. 9," hereinafter called the "district,"

7 Revisor's Note

8 The definitions of "board" and "director" are
9 added to the revised law for drafting convenience and
10 to eliminate frequent, unnecessary repetition of the
11 substance of the definitions.

12 Revised Law

13 Sec. 8293.002. NATURE OF DISTRICT. The district is a
14 conservation and reclamation district in Montgomery County created
15 under Section 59, Article XVI, Texas Constitution. (Acts 62nd
16 Leg., R.S., Ch. 704, Sec. 1 (part).)

17 Source Law

18 Sec. 1. . . . there is hereby created and
19 established, under and pursuant to the provisions of
20 Article XVI, Section 59 of the Constitution of Texas, a
21 conservation and reclamation district in Montgomery
22 County, Texas, . . . which shall be a governmental
23 agency and a body politic and corporate. . . .

24 Revisor's Note

25 (1) Section 1, Chapter 704, Acts of the 62nd
26 Legislature, Regular Session, 1971, provides that the
27 district is "created and established." The revised
28 law omits "established" because the meaning of that
29 word is included in the meaning of "created."

30 (2) Section 1, Chapter 704, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 district is created notwithstanding certain laws
33 relating to consent. The revised law omits that
34 provision as executed because the district has been
35 created. The omitted law reads:

36 Sec. 1. Notwithstanding provisions
37 of the general laws relating to consent by
38 political subdivisions for the creation of
39 conservation and reclamation districts,
40 [there is hereby created . . . a

1 conservation and reclamation district]
2

3 (3) Section 1, Chapter 704, Acts of the 62nd
4 Legislature, Regular Session, 1971, refers to the
5 district as "a governmental agency and a body politic
6 and corporate." The revised law omits the quoted
7 language because it duplicates a portion of Section
8 59(b), Article XVI, Texas Constitution, which provides
9 that a conservation and reclamation district is a
10 governmental agency and a body politic and corporate.

11 Revised Law

12 Sec. 8293.003. 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. (Acts
20 62nd Leg., R.S., Ch. 704, Secs. 1 (part), 3.)

21 Source Law

22 Sec. 1. . . . The creation and establishment of
23 the district is hereby declared to be essential to the
24 accomplishment of the purposes of Article XVI, Section
25 59 of the Constitution of Texas.

26 Sec. 3. It is determined and found that all of
27 the land and other property included within the area
28 and boundaries of the district will be benefited by the
29 works and project which are to be accomplished by the
30 district pursuant to the powers conferred by the
31 provisions of Article XVI, Section 59 of the
32 Constitution of Texas, and that said district is
33 created to serve a public use and benefit.

34 Revisor's Note

35 (1) Section 1, Chapter 704, Acts of the 62nd
36 Legislature, Regular Session, 1971, provides that the
37 "creation and establishment" of the district are
38 essential to accomplish the purposes of Section 59,
39 Article XVI, Texas Constitution. The revised law
40 omits "establishment" because its meaning is included

1 in the meaning of "creation."

2 (2) Section 3, Chapter 704, Acts of the 62nd
3 Legislature, Regular Session, 1971, refers to land and
4 other property included within the "area and
5 boundaries of the district." The revised law omits the
6 reference to "area" because, in context, "area" is
7 included in the meaning of "boundaries."

8 Revised Law

9 Sec. 8293.004. DISTRICT TERRITORY. (a) The district is
10 composed of the territory described by Section 4, Chapter 704, Acts
11 of the 62nd Legislature, Regular Session, 1971, 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 copying the field notes in the legislative
18 process or another mistake in the field notes does not affect:

19 (1) the district's organization, existence, or
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 62nd Leg., R.S., Ch. 704, Sec. 2; New.)

27 Source Law

28 Sec. 2. It is determined and found that the
29 boundaries and field notes of the district form a
30 closure. If any mistake is made in copying the field
31 notes in the legislative process or otherwise a
32 mistake is made in the field notes, it shall in no way
33 affect the organization, existence and validity of the
34 district, or the right of the district to issue any
35 type of bonds or refunding bonds for the purposes for
36 which the district is created or to pay the principal
37 and interest thereon, or the right to assess, levy and
38 collect taxes, or in any other manner affect the
39 legality or operation of the district or its governing
40 body.

1 Revisor's Note

2 (1) The revision of the law governing the
3 district does not revise the statutory language
4 describing the territory of the district to avoid the
5 lengthy recitation of the description and because that
6 description may not be accurate on the effective date
7 of the revision or at the time of a later reading. For
8 the reader's convenience, the revised law includes
9 references to the statutory description of the
10 district's territory and to the authority to change the
11 district's territory under Subchapter H, Chapter 54,
12 Water Code, applicable to municipal utility districts,
13 and under Subchapter J, Chapter 49, Water Code,
14 applicable to the district under Sections 49.001 and
15 49.002 of that chapter. The revised law also includes
16 a reference to the general authority of the
17 legislature to enact a law to change the district's
18 territory.

19 (2) Section 2, Chapter 704, Acts of the 62nd
20 Legislature, Regular Session, 1971, provides that a
21 mistake in the description of the district boundaries
22 does not affect the right of the district to issue "any
23 type of bonds or refunding bonds." The revised law
24 omits the reference to "refunding bonds" because
25 refunding bonds are included in the meaning of "any
26 type of bonds."

27 (3) Section 2, Chapter 704, Acts of the 62nd
28 Legislature, Regular Session, 1971, refers to the
29 district's authority to "assess, levy and collect"
30 taxes. The revised law substitutes "impose" for
31 "assess, levy and collect" because "impose" is the
32 term generally used in Title 1, Tax Code, and includes
33 the assessment, levy, and collection of a tax.

34 [Sections 8293.005-8293.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Revised Law

3 Sec. 8293.051. COMPOSITION OF BOARD. The board of
4 directors is composed of five elected directors. (Acts 62nd Leg.,
5 R.S., Ch. 704, Sec. 6 (part).)

6 Source Law

7 Sec. 6. . . . Succeeding directors shall be
8 elected or

9 Revisor's Note

10 (1) Section 6, Chapter 704, Acts of the 62nd
11 Legislature, Regular Session, 1971, refers to the
12 initial board of directors and to vacancy procedures.
13 The revised law omits the language relating to the
14 creation of the initial board as executed. The revised
15 law omits the language relating to vacancy procedures
16 for the initial board as executed and, to the extent
17 the language may apply to subsequently appointed
18 directors, because it duplicates in substance Section
19 49.105(c), Water Code. That section applies to the
20 district under Sections 49.001 and 49.002, Water Code.
21 The omitted law reads:

22 Sec. 6. Immediately after this Act
23 becomes effective, the following named
24 persons shall be the directors of the
25 district and shall constitute the board of
26 directors of the district:

27 Joe P. Waddill
28 John Albert Madley
29 Dan H. Madley
30 Alton Keith Stewart, Jr.
31 Milton Keith Stewart, Jr.

32 Said person shall qualify to serve as
33 directors prior to the first meeting of the
34 board of directors. Should any of the above
35 named directors fail to qualify for any
36 reason, the remaining named directors shall
37 appoint someone to fill such vacancy or
38 vacancies; provided, however, that if at
39 any time the number of qualified directors
40 shall be less than three because of the
41 failure or refusal of one or more directors
42 to qualify or serve or because of his or
43 their death or incapacitation, or for any
44 such other reason, the Texas Water Rights
45 Commission shall appoint the necessary
46 number of directors to fill all vacancies on
47 the board. The directors above named or
48 their duly appointed and qualified

1 successor or successors shall serve until
2 the second Saturday in January, 1973. . . .

3 (2) Section 6, Chapter 704, Acts of the 62nd
4 Legislature, Regular Session, 1971, refers to
5 "[s]ucceeding directors" to distinguish the
6 succeeding directors from the initial directors named
7 in that section. The revised law substitutes "five"
8 for "succeeding" to conform to the number of directors
9 listed in Section 6 (establishing the initial board).

10 (3) Section 6, Chapter 704, Acts of the 62nd
11 Legislature, Regular Session, 1971, provides for
12 directors to be elected or appointed and to serve for
13 the term and in the manner provided by Chapter 54,
14 Water Code. Chapter 715, Acts of the 74th Legislature,
15 Regular Session, 1995, repealed the relevant
16 provisions of Chapter 54 and enacted similar
17 provisions in Chapter 49, Water Code, including
18 Section 49.103, which governs the terms of office and
19 manner of election of directors of a municipal utility
20 district that is required by law to elect its
21 directors. The revised law omits any reference to
22 Chapter 49, Water Code, because Chapter 49 applies to
23 the district under Sections 49.001 and 49.002 of that
24 chapter. The revised law also omits "appointed"
25 because it is clear from the context of Section 6 that
26 the reference applies only to directors appointed to
27 fill vacancies as provided by Chapter 49, Water Code.
28 The omitted law reads:

29 Sec. 6. . . . [Succeeding directors
30 shall be elected or] appointed and shall
31 serve for the term and in the manner
32 provided by Chapter 54, Title 4, Water Code,
33 for directors first elected.

34 [Sections 8293.052-8293.100 reserved for expansion]

35 SUBCHAPTER C. POWERS AND DUTIES

36 Revised Law

37 Sec. 8293.101. MUNICIPAL UTILITY DISTRICT POWERS. The

1 district has the rights, powers, privileges, and functions
2 conferred by general law applicable to a municipal utility
3 district, including Chapters 49 and 54, Water Code. (Acts 62nd
4 Leg., R.S., Ch. 704, Sec. 5 (part); New.)

5 Source Law

6 Sec. 5. The district is hereby vested with, and
7 shall have and exercise, all of the rights, powers,
8 privileges, authority and functions conferred by the
9 general laws of this state applicable to municipal
10 utility districts, including without limitation those
11 conferred by Chapter 54, Title 4, Water Code, but
12

13 Revisor's Note

14 (1) Section 5, Chapter 704, Acts of the 62nd
15 Legislature, Regular Session, 1971, provides that the
16 district "is hereby vested with, and shall have and
17 exercise" certain powers. The revised law substitutes
18 "has" for the quoted language because, in context, the
19 terms are synonymous and "has" is more commonly used.

20 (2) Section 5, Chapter 704, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to the
22 "rights, powers, privileges, [and] authority" of the
23 district. The revised law omits the reference to
24 "authority" because, in context, "authority" is
25 included in the meaning of "rights, powers, [and]
26 privileges."

27 (3) Section 5, Chapter 704, Acts of the 62nd
28 Legislature, Regular Session, 1971, grants the
29 district certain powers, "including without
30 limitation those conferred by Chapter 54, Title 4,
31 Water Code." The revised law omits "without
32 limitation" because Section 311.005(13), Government
33 Code (Code Construction Act), provides that "includes"
34 and "including" are terms of enlargement and not of
35 limitation and do not create a presumption that
36 components not expressed are excluded.

37 (4) Section 5, Chapter 704, Acts of the 62nd

1 Legislature, Regular Session, 1971, refers to Chapter
2 54, Water Code. For the reader's convenience, the
3 revised law adds a reference to Chapter 49, Water Code,
4 because Chapter 715, Acts of the 74th Legislature,
5 Regular Session, 1995, repealed many provisions of
6 Chapter 54 and enacted similar provisions in Chapter
7 49, Water Code, which applies to the district under
8 Sections 49.001 and 49.002 of that chapter.

9 (5) Section 5, Chapter 704, Acts of the 62nd
10 Legislature, Regular Session, 1971, provides that the
11 act prevails over general law in case of a conflict or
12 other inconsistency and that all general laws
13 applicable to municipal utility districts not in
14 conflict or inconsistent with the provisions of the
15 act are adopted and incorporated by reference. The
16 revised law omits the portion of the provision
17 relating to the act prevailing over general law
18 because it duplicates in substance Section 311.026(b),
19 Government Code (Code Construction Act). The revised
20 law omits the portion of the provision relating to
21 adoption and incorporation of general laws because
22 Section 5 of Chapter 704 (revised as this section)
23 already provides that those laws apply to the
24 district, and it is unnecessary to repeat that
25 authority. The omitted law reads:

26 Sec. 5. . . . if any provision of
27 such general laws shall be in conflict or
28 inconsistent with the provisions of this
29 Act, the provisions of this Act shall
30 prevail. All such general laws applicable
31 to municipal utility districts not in
32 conflict or inconsistent with the
33 provisions of this Act are hereby adopted
34 and incorporated by reference with the same
35 effect as if copied in full in this Act.

36 Revisor's Note
37 (End of Chapter)

38 (1) Section 7, Chapter 704, Acts of the 62nd
39 Legislature, Regular Session, 1971, contains

1 legislative findings relating to the performance of
2 the requirements of Section 59(d), Article XVI, Texas
3 Constitution, and to the authority of the legislature
4 to enact that chapter. The revised law omits the
5 provision as executed. The omitted law reads:

6 Sec. 7. The Legislature specifically
7 finds and declares that the requirements of
8 Article XVI, Section 59(d) of the
9 Constitution of Texas have been performed
10 and accomplished in due course and time and
11 order, and that the Legislature has the
12 power and authority to enact this Act.

13 (2) Section 8, Chapter 704, Acts of the 62nd
14 Legislature, Regular Session, 1971, provides that the
15 act is severable. The revised law omits that provision
16 because it duplicates Section 311.032, Government Code
17 (Code Construction Act), which provides that a
18 provision of a statute is severable from each other
19 provision of the statute that can be given effect. The
20 omitted law reads:

21 Sec. 8. If any word, phrase, clause,
22 paragraph, sentence, part, portion or
23 provision of this Act or the application
24 thereof to any person or circumstance shall
25 be held to be invalid or unconstitutional,
26 the remainder of the Act shall nevertheless
27 be valid and the Legislature hereby
28 declares that this Act would have been
29 enacted without such invalid or
30 unconstitutional word, phrase, clause,
31 paragraph, sentence, part, portion or
32 provision.

33 CHAPTER 8302. MONTGOMERY COUNTY UTILITY DISTRICT NO. 3

34 SUBCHAPTER A. GENERAL PROVISIONS

35 Sec. 8302.001. DEFINITIONS 1969
36 Sec. 8302.002. NATURE OF DISTRICT 1969
37 Sec. 8302.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1970
38 Sec. 8302.004. DISTRICT TERRITORY 1971

39 [Sections 8302.005-8302.050 reserved for expansion]

40 SUBCHAPTER B. BOARD OF DIRECTORS

41 Sec. 8302.051. COMPOSITION OF BOARD 1973

42 [Sections 8302.052-8302.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8302.101. MUNICIPAL UTILITY DISTRICT POWERS 1975

3 CHAPTER 8302. MONTGOMERY COUNTY UTILITY DISTRICT NO. 3

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Revised Law

6 Sec. 8302.001. DEFINITIONS. In this chapter:

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

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

9 (3) "District" means the Montgomery County Utility
10 District No. 3. (Acts 62nd Leg., R.S., Ch. 634, Sec. 1 (part);
11 New.)

12 Source Law

13 Sec. 1. . . . [a . . . district] . . . to be
14 known as "Montgomery County Utility District No. 3,"
15 hereinafter called the "district,"

16 Revisor's Note

17 The definitions of "board" and "director" are
18 added to the revised law for drafting convenience and
19 to eliminate frequent, unnecessary repetition of the
20 substance of the definitions.

21 Revised Law

22 Sec. 8302.002. NATURE OF DISTRICT. The district is a
23 conservation and reclamation district in Montgomery County created
24 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
25 R.S., Ch. 634, Sec. 1 (part).)

26 Source Law

27 Sec. 1. . . . there is hereby created and
28 established, under and pursuant to the provisions of
29 Article XVI, Section 59 of the Constitution of Texas, a
30 conservation and reclamation district in Montgomery
31 County, Texas, . . . which shall be a governmental
32 agency and a body politic and corporate. . . .

33 Revisor's Note

34 (1) Section 1, Chapter 634, Acts of the 62nd
35 Legislature, Regular Session, 1971, provides that the
36 district is "created and established." The revised
37 law omits "established" because the meaning of that
38 word is included in the meaning of "created."

1 (2) Section 1, Chapter 634, Acts of the 62nd
2 Legislature, Regular Session, 1971, provides that the
3 district is created notwithstanding certain laws
4 relating to consent. The revised law omits that
5 provision as executed because the district has been
6 created. The omitted law reads:

7 Sec. 1. Notwithstanding provisions
8 of the general laws relating to consent by
9 political subdivisions for the creation of
10 conservation and reclamation districts,
11 [there is hereby created . . . a
12 conservation and reclamation district]
13

14 (3) Section 1, Chapter 634, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to the
16 district as "a governmental agency and a body politic
17 and corporate." The revised law omits the quoted
18 language because it duplicates a portion of Section
19 59(b), Article XVI, Texas Constitution, which provides
20 that a conservation and reclamation district is a
21 governmental agency and a body politic and corporate.

22 Revised Law

23 Sec. 8302.003. 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
28 59, Article XVI, Texas Constitution.

29 (c) The creation of the district is essential to accomplish
30 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
31 62nd Leg., R.S., Ch. 634, Secs. 1 (part), 3.)

32 Source Law

33 Sec. 1. . . . The creation and establishment of
34 the district is hereby declared to be essential to the
35 accomplishment of the purposes of Article XVI, Section
36 59 of the Constitution of Texas.

37 Sec. 3. It is determined and found that all of
38 the land and other property included within the area
39 and boundaries of the district will be benefited by the
40 works and project which are to be accomplished by the
41 district pursuant to the powers conferred by the

1 provisions of Article XVI, Section 59 of the
2 Constitution of Texas, and that said district is
3 created to serve a public use and benefit.

4 Revisor's Note

5 (1) Section 1, Chapter 634, Acts of the 62nd
6 Legislature, Regular Session, 1971, provides that the
7 "creation and establishment" of the district are
8 essential to accomplish the purposes of Section 59,
9 Article XVI, Texas Constitution. The revised law
10 omits "establishment" because its meaning is included
11 in the meaning of "creation."

12 (2) Section 3, Chapter 634, Acts of the 62nd
13 Legislature, Regular Session, 1971, refers to land and
14 other property included within the "area and
15 boundaries of the district." The revised law omits the
16 reference to "area" because, in context, "area" is
17 included in the meaning of "boundaries."

18 Revised Law

19 Sec. 8302.004. DISTRICT TERRITORY. (a) The district is
20 composed of the territory described by Section 4, Chapter 634, Acts
21 of the 62nd Legislature, Regular Session, 1971, 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 copying the field notes in the legislative
28 process or another mistake in the field notes does not affect:

- 29 (1) the district's organization, existence, or
30 validity;
31 (2) the district's right to issue any type of bond for
32 a purpose for which the district is created or to pay the principal
33 of and interest on the bond;
34 (3) the district's right to impose a tax; or
35 (4) the legality or operation of the district or its
36 governing body. (Acts 62nd Leg., R.S., Ch. 634, Sec. 2; New.)

1 Source Law

2 Sec. 2. It is determined and found that the
3 boundaries and field notes of the district form a
4 closure. If any mistake is made in copying the field
5 notes in the legislative process or otherwise a
6 mistake is made in the field notes, it shall in no way
7 affect the organization, existence and validity of the
8 district, or the right of the district to issue any
9 type of bonds or refunding bonds for the purposes for
10 which the district is created or to pay the principal
11 and interest thereon, or the right to assess, levy and
12 collect taxes, or in any other manner affect the
13 legality or operation of the district or its governing
14 body.

15 Revisor's Note

16 (1) The revision of the law governing the
17 district does not revise the statutory language
18 describing the territory of the district to avoid the
19 lengthy recitation of the description and because that
20 description may not be accurate on the effective date
21 of the revision or at the time of a later reading. For
22 the reader's convenience, the revised law includes
23 references to the statutory description of the
24 district's territory and to the authority to change the
25 district's territory under Subchapter H, Chapter 54,
26 Water Code, applicable to municipal utility districts,
27 and under Subchapter J, Chapter 49, Water Code,
28 applicable to the district under Sections 49.001 and
29 49.002 of that chapter. The revised law also includes
30 a reference to the general authority of the
31 legislature to enact a law to change the district's
32 territory.

33 (2) Section 2, Chapter 634, Acts of the 62nd
34 Legislature, Regular Session, 1971, provides that a
35 mistake in the description of the district boundaries
36 does not affect the right of the district to issue "any
37 type of bonds or refunding bonds." The revised law
38 omits the reference to "refunding bonds" because
39 refunding bonds are included in the meaning of "any
40 type of bonds."

1 (3) Section 2, Chapter 634, Acts of the 62nd
2 Legislature, Regular Session, 1971, refers to the
3 district's authority to "assess, levy and collect"
4 taxes. The revised law substitutes "impose" for
5 "assess, levy and collect" because "impose" is the
6 term generally used in Title 1, Tax Code, and includes
7 the assessment, levy, and collection of a tax.

8 [Sections 8302.005-8302.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Revised Law

11 Sec. 8302.051. COMPOSITION OF BOARD. The board of
12 directors is composed of five elected directors. (Acts 62nd Leg.,
13 R.S., Ch. 634, Sec. 6 (part).)

14 Source Law

15 Sec. 6. . . . Succeeding directors shall be
16 elected or

17 Revisor's Note

18 (1) Section 6, Chapter 634, Acts of the 62nd
19 Legislature, Regular Session, 1971, refers to the
20 initial board of directors and to vacancy procedures.
21 The revised law omits the language relating to the
22 creation of the initial board as executed. The revised
23 law omits the language relating to vacancy procedures
24 for the initial board as executed and, to the extent
25 the language may apply to subsequently appointed
26 directors, because it duplicates in substance Section
27 49.105(c), Water Code. That section applies to the
28 district under Sections 49.001 and 49.002, Water Code.
29 The omitted law reads:

30 Sec. 6. Immediately after this Act
31 becomes effective, the following named
32 persons shall be the directors of the
33 district and shall constitute the board of
34 directors of the district:

35 Perrin W. White
36 Martin Grissett
37 Robert J. Matjeka
38 Mrs. Brenda Ellis
39 Madeline L. Hill

40 Said persons shall qualify to serve as

1 directors prior to the first meeting of the
2 board of directors. Should any of the above
3 named directors fail to qualify for any
4 reason, the remaining named directors shall
5 appoint someone to fill such vacancy or
6 vacancies; provided, however, that if at
7 any time the number of qualified directors
8 shall be less than three because of the
9 failure or refusal of one or more directors
10 to qualify or serve or because of his or
11 their death or incapacitation, or for any
12 such other reason, the Texas Water Rights
13 Commission shall appoint the necessary
14 number of directors to fill all vacancies on
15 the board. The directors above named or
16 their duly appointed and qualified
17 successor or successors shall serve until
18 the second Saturday in January, 1973. . . .

19 (2) Section 6, Chapter 634, Acts of the 62nd
20 Legislature, Regular Session, 1971, refers to
21 "[s]ucceeding directors" to distinguish the
22 succeeding directors from the initial directors named
23 in that section. The revised law substitutes "five"
24 for "succeeding" to conform to the number of directors
25 listed in Section 6 (establishing the initial board).

26 (3) Section 6, Chapter 634, Acts of the 62nd
27 Legislature, Regular Session, 1971, provides for
28 directors to be elected or appointed and to serve for
29 the term and in the manner provided by Chapter 54,
30 Water Code. Chapter 715, Acts of the 74th Legislature,
31 Regular Session, 1995, repealed the relevant
32 provisions of Chapter 54 and enacted similar
33 provisions in Chapter 49, Water Code, including
34 Section 49.103, which governs the terms of office and
35 manner of election of directors of a municipal utility
36 district that is required by law to elect its
37 directors. The revised law omits any reference to
38 Chapter 49, Water Code, because Chapter 49 applies to
39 the district under Sections 49.001 and 49.002 of that
40 chapter. The revised law also omits "appointed"
41 because it is clear from the context of Section 6 that
42 the reference applies only to directors appointed to
43 fill vacancies as provided by Chapter 49, Water Code.

1 The omitted law reads:

2 Sec. 6. . . . [Succeeding directors
3 shall be elected or] appointed and shall
4 serve for the term and in the manner
5 provided by Chapter 54, Title 4, Water Code.

6 [Sections 8302.052-8302.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Revised Law

9 Sec. 8302.101. MUNICIPAL UTILITY DISTRICT POWERS. The
10 district has the rights, powers, privileges, and functions
11 conferred by general law applicable to a municipal utility
12 district, including Chapters 49 and 54, Water Code. (Acts 62nd
13 Leg., R.S., Ch. 634, Sec. 5 (part); New.)

14 Source Law

15 Sec. 5. The district is hereby vested with, and
16 shall have and exercise, all of the rights, powers,
17 privileges, authority and functions conferred by the
18 general laws of this state applicable to municipal
19 utility districts, including without limitation those
20 conferred by Chapter 54, Title 4, Water Code, but
21

22 Revisor's Note

23 (1) Section 5, Chapter 634, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that the
25 district "is hereby vested with, and shall have and
26 exercise" certain powers. The revised law substitutes
27 "has" for the quoted language because, in context, the
28 terms are synonymous and "has" is more commonly used.

29 (2) Section 5, Chapter 634, Acts of the 62nd
30 Legislature, Regular Session, 1971, refers to the
31 "rights, powers, privileges, [and] authority" of the
32 district. The revised law omits the reference to
33 "authority" because, in context, "authority" is
34 included in the meaning of "rights, powers, [and]
35 privileges."

36 (3) Section 5, Chapter 634, Acts of the 62nd
37 Legislature, Regular Session, 1971, grants the
38 district certain powers, "including without
39 limitation those conferred by Chapter 54, Title 4,

1 Water Code." The revised law omits "without
2 limitation" because Section 311.005(13), Government
3 Code (Code Construction Act), provides that "includes"
4 and "including" are terms of enlargement and not of
5 limitation and do not create a presumption that
6 components not expressed are excluded.

7 (4) Section 5, Chapter 634, Acts of the 62nd
8 Legislature, Regular Session, 1971, refers to Chapter
9 54, Water Code. For the reader's convenience, the
10 revised law adds a reference to Chapter 49, Water Code,
11 because Chapter 715, Acts of the 74th Legislature,
12 Regular Session, 1995, repealed many provisions of
13 Chapter 54 and enacted similar provisions in Chapter
14 49, Water Code, which applies to the district under
15 Sections 49.001 and 49.002 of that chapter.

16 (5) Section 5, Chapter 634, Acts of the 62nd
17 Legislature, Regular Session, 1971, provides that the
18 act prevails over general law in case of a conflict or
19 other inconsistency and that all general laws
20 applicable to municipal utility districts not in
21 conflict or inconsistent with the provisions of the
22 act are adopted and incorporated by reference. The
23 revised law omits the portion of the provision
24 relating to the act prevailing over general law
25 because it duplicates in substance Section 311.026(b),
26 Government Code (Code Construction Act). The revised
27 law omits the portion of the provision relating to
28 adoption and incorporation of general laws because
29 Section 5 of Chapter 634 (revised as this section)
30 already provides that those laws apply to the
31 district, and it is unnecessary to repeat that
32 authority. The omitted law reads:

33 Sec. 5. . . . if any provision of
34 such general laws shall be in conflict or
35 inconsistent with the provisions of this
36 Act, the provisions of this Act shall

1 prevail. All such general laws applicable
2 to municipal utility districts not in
3 conflict or inconsistent with the
4 provisions of this Act are hereby adopted
5 and incorporated by reference with the same
6 effect as if copied in full in this Act.

7 Revisor's Note
8 (End of Chapter)

9 (1) Section 7, Chapter 634, Acts of the 62nd
10 Legislature, Regular Session, 1971, contains
11 legislative findings relating to the performance of
12 the requirements of Section 59(d), Article XVI, Texas
13 Constitution, and to the authority of the legislature
14 to enact that chapter. The revised law omits the
15 provision as executed. The omitted law reads:

16 Sec. 7. The Legislature specifically
17 finds and declares that the requirements of
18 Article XVI, Section 59(d) of the
19 Constitution of Texas have been performed
20 and accomplished in due course and time and
21 order, and that the Legislature has the
22 power and authority to enact this Act.

23 (2) Section 8, Chapter 634, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that the
25 act is severable. The revised law omits that provision
26 because it duplicates Section 311.032, Government Code
27 (Code Construction Act), which provides that a
28 provision of a statute is severable from each other
29 provision of the statute that can be given effect. The
30 omitted law reads:

31 Sec. 8. If any word, phrase, clause,
32 paragraph, sentence, part, portion or
33 provision of this Act or the application
34 thereof to any persons or circumstances
35 shall be held to be invalid or
36 unconstitutional, the remainder of the Act
37 shall nevertheless be valid and the
38 Legislature hereby declares that this Act
39 would have been enacted without such
40 invalid or unconstitutional word, phrase,
41 clause, paragraph, sentence, part, portion
42 or provision.

43 CHAPTER 8303. MONTGOMERY COUNTY UTILITY DISTRICT NO. 4

44 SUBCHAPTER A. GENERAL PROVISIONS

45 Sec. 8303.001. DEFINITIONS 1978
46 Sec. 8303.002. NATURE OF DISTRICT 1978

1 Sec. 8303.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE . . . 1979

2 Sec. 8303.004. DISTRICT TERRITORY 1980

3 [Sections 8303.005-8303.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8303.051. COMPOSITION OF BOARD 1982

6 [Sections 8303.052-8303.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 8303.101. MUNICIPAL UTILITY DISTRICT POWERS 1984

9 CHAPTER 8303. MONTGOMERY COUNTY UTILITY DISTRICT NO. 4

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Revised Law

12 Sec. 8303.001. DEFINITIONS. In this chapter:

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

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

15 (3) "District" means the Montgomery County Utility
16 District No. 4. (Acts 62nd Leg., R.S., Ch. 344, Sec. 1 (part); New.)

17 Source Law

18 Sec. 1. . . . [a . . . district] . . . to be
19 known as "Montgomery County Utility District No. 4,"
20 hereinafter called the "district,"

21 Revisor's Note

22 The definitions of "board" and "director" are
23 added to the revised law for drafting convenience and
24 to eliminate frequent, unnecessary repetition of the
25 substance of the definitions.

26 Revised Law

27 Sec. 8303.002. NATURE OF DISTRICT. The district is a
28 conservation and reclamation district in Montgomery County created
29 under Section 59, Article XVI, Texas Constitution. (Acts 62nd Leg.,
30 R.S., Ch. 344, Sec. 1 (part).)

31 Source Law

32 Sec. 1. . . . there is hereby created and
33 established, under and pursuant to the provisions of
34 Article XVI, Section 59 of the Constitution of Texas, a
35 conservation and reclamation district in Montgomery
36 County, Texas, . . . which shall be a governmental
37 agency and a body politic and corporate. . . .

1 Revisor's Note

2 (1) Section 1, Chapter 344, Acts of the 62nd
3 Legislature, Regular Session, 1971, provides that the
4 district is "created and established." The revised
5 law omits "established" because the meaning of that
6 word is included in the meaning of "created."

7 (2) Section 1, Chapter 344, Acts of the 62nd
8 Legislature, Regular Session, 1971, provides that the
9 district is created notwithstanding certain laws
10 relating to consent. The revised law omits that
11 provision as executed because the district has been
12 created. The omitted law reads:

13 Sec. 1. Notwithstanding provisions
14 of the general laws relating to consent by
15 political subdivisions for the creation of
16 conservation and reclamation districts,
17 [there is hereby created . . . a
18 conservation and reclamation district]
19

20 (3) Section 1, Chapter 344, Acts of the 62nd
21 Legislature, Regular Session, 1971, refers to the
22 district as "a governmental agency and a body politic
23 and corporate." The revised law omits the quoted
24 language because it duplicates a portion of Section
25 59(b), Article XVI, Texas Constitution, which provides
26 that a conservation and reclamation district is a
27 governmental agency and a body politic and corporate.

28 Revised Law

29 Sec. 8303.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
30 The district is created to serve a public use and benefit.

31 (b) All land and other property included in the boundaries
32 of the district will benefit from the works and projects
33 accomplished by the district under the powers conferred by Section
34 59, Article XVI, Texas Constitution.

35 (c) The creation of the district is essential to accomplish
36 the purposes of Section 59, Article XVI, Texas Constitution. (Acts
37 62nd Leg., R.S., Ch. 344, Secs. 1 (part), 3.)

1 Source Law

2 Sec. 1. . . . The creation and establishment of
3 the district is hereby declared to be essential to the
4 accomplishment of the purposes of Article XVI, Section
5 59 of the Constitution of Texas.

6 Sec. 3. It is determined and found that all of
7 the land and other property included within the area
8 and boundaries of the district will be benefited by the
9 works and project which are to be accomplished by the
10 district pursuant to the powers conferred by the
11 provisions of Article XVI, Section 59 of the
12 Constitution of Texas, and that said district is
13 created to serve a public use and benefit.

14 Revisor's Note

15 (1) Section 1, Chapter 344, Acts of the 62nd
16 Legislature, Regular Session, 1971, provides that the
17 "creation and establishment" of the district are
18 essential to accomplish the purposes of Section 59,
19 Article XVI, Texas Constitution. The revised law
20 omits "establishment" because its meaning is included
21 in the meaning of "creation."

22 (2) Section 3, Chapter 344, Acts of the 62nd
23 Legislature, Regular Session, 1971, refers to land and
24 other property included within the "area and
25 boundaries of the district." The revised law omits the
26 reference to "area" because, in context, "area" is
27 included in the meaning of "boundaries."

28 Revised Law

29 Sec. 8303.004. DISTRICT TERRITORY. (a) The district is
30 composed of the territory described by Section 4, Chapter 344, Acts
31 of the 62nd Legislature, Regular Session, 1971, as that territory
32 may have been modified under:

- 33 (1) Subchapter H, Chapter 54, Water Code;
34 (2) Subchapter J, Chapter 49, Water Code; or
35 (3) other law.

36 (b) The boundaries and field notes of the district form a
37 closure. A mistake in copying the field notes in the legislative
38 process or another mistake in the field notes does not affect:

- 39 (1) the district's organization, existence, or

1 validity;

2 (2) the district's right to issue any type of bonds for
3 a purpose for which the district is created or to pay the principal
4 of and interest on the bonds;

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 62nd Leg., R.S., Ch. 344, Sec. 2; New.)

8 Source Law

9 Sec. 2. It is determined and found that the
10 boundaries and field notes of the district form a
11 closure. If any mistake is made in copying the field
12 notes in the legislative process or otherwise a
13 mistake is made in the field notes, it shall in no way
14 affect the organization, existence and validity of the
15 district, or the right of the district to issue any
16 type of bonds or refunding bonds for the purposes for
17 which the district is created or to pay the principal
18 and interest thereon, or the right to assess, levy and
19 collect taxes, or in any other manner affect the
20 legality or operation of the district or its governing
21 body.

22 Revisor's Note

23 (1) The revision of the law governing the
24 district does not revise the statutory language
25 describing the territory of the district to avoid the
26 lengthy recitation of the description and because that
27 description may not be accurate on the effective date
28 of the revision or at the time of a later reading. For
29 the reader's convenience, the revised law includes
30 references to the statutory description of the
31 district's territory and to the authority to change the
32 district's territory under Subchapter H, Chapter 54,
33 Water Code, applicable to municipal utility districts,
34 and under Subchapter J, Chapter 49, Water Code,
35 applicable to the district under Sections 49.001 and
36 49.002 of that chapter. The revised law also includes
37 a reference to the general authority of the
38 legislature to enact a law to change the district's
39 territory.

40 (2) Section 2, Chapter 344, Acts of the 62nd

1 Legislature, Regular Session, 1971, provides that a
2 mistake in the description of the district boundaries
3 does not affect the right of the district to issue "any
4 type of bonds or refunding bonds." The revised law
5 omits the reference to "refunding bonds" because
6 refunding bonds are included in the meaning of "any
7 type of bonds."

8 (3) Section 2, Chapter 344, Acts of the 62nd
9 Legislature, Regular Session, 1971, refers to the
10 district's authority to "assess, levy and collect"
11 taxes. The revised law substitutes "impose" for
12 "assess, levy and collect" because "impose" is the
13 term generally used in Title 1, Tax Code, and includes
14 the assessment, levy, and collection of a tax.

15 [Sections 8303.005-8303.050 reserved for expansion]

16 SUBCHAPTER B. BOARD OF DIRECTORS

17 Revised Law

18 Sec. 8303.051. COMPOSITION OF BOARD. The board of
19 directors is composed of five elected directors. (Acts 62nd Leg.,
20 R.S., Ch. 344, Sec. 6 (part).)

21 Source Law

22 Sec. 6. . . . Succeeding directors shall be
23 elected or

24 Revisor's Note

25 (1) Section 6, Chapter 344, Acts of the 62nd
26 Legislature, Regular Session, 1971, refers to the
27 initial board of directors and to vacancy procedures.
28 The revised law omits the language relating to the
29 creation of the initial board as executed. The revised
30 law omits the language relating to vacancy procedures
31 for the initial board as executed and, to the extent
32 the language may apply to subsequently appointed
33 directors, because it duplicates in substance Section
34 49.105(c), Water Code. That section applies to the
35 district under Sections 49.001 and 49.002, Water Code.

1 The omitted law reads:

2 Sec. 6. Immediately after this Act
3 becomes effective, the following named
4 persons shall be the directors of the
5 district and shall constitute the board of
6 directors of the district:

7 James M. Hill, Jr.
8 Scott Van deMark
9 Lee Williams
10 J. R. Brodnax
11 Sara E. White

12 Said persons shall qualify to serve as
13 directors prior to the first meeting of the
14 board of directors. Should any of the above
15 named directors fail to qualify for any
16 reason, the remaining named directors shall
17 appoint someone to fill such vacancy or
18 vacancies; provided, however, that if at
19 any time the number of qualified directors
20 shall be less than three because of the
21 failure or refusal of one or more directors
22 to qualify or serve or because of his or
23 their death or incapacitation, or for any
24 such other reason, the Texas Water Rights
25 Commission shall appoint the necessary
26 number of directors to fill all vacancies on
27 the board. The directors above named or
28 their duly appointed and qualified
29 successor or successors shall serve until
30 the second Saturday in January, 1973. . . .

31 (2) Section 6, Chapter 344, Acts of the 62nd
32 Legislature, Regular Session, 1971, refers to
33 "[s]ucceeding directors" to distinguish the
34 succeeding directors from the initial directors named
35 in that section. The revised law substitutes "five"
36 for "succeeding" to conform to the number of directors
37 listed in Section 6 (establishing the initial board).

38 (3) Section 6, Chapter 344, Acts of the 62nd
39 Legislature, Regular Session, 1971, provides for
40 directors to be elected or appointed and to serve for
41 the term and in the manner provided by Chapter 54,
42 Water Code. Chapter 715, Acts of the 74th Legislature,
43 Regular Session, 1995, repealed the relevant
44 provisions of Chapter 54 and enacted similar
45 provisions in Chapter 49, Water Code, including
46 Section 49.103, which governs the terms of office and
47 manner of election of directors of a municipal utility
48 district that is required by law to elect its

1 directors. The revised law omits any reference to
2 Chapter 49, Water Code, because Chapter 49 applies to
3 the district under Sections 49.001 and 49.002 of that
4 chapter. The revised law also omits "appointed"
5 because it is clear from the context of Section 6 that
6 the reference applies only to directors appointed to
7 fill vacancies as provided by Chapter 49, Water Code.
8 The omitted law reads:

9 Sec. 6. . . . [Succeeding directors
10 shall be elected or] appointed and shall
11 serve for the term and in the manner
12 provided by Chapter 54, Title 4, Water Code.

13 [Sections 8303.052-8303.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Revised Law

16 Sec. 8303.101. MUNICIPAL UTILITY DISTRICT POWERS. The
17 district has the rights, powers, privileges, and functions
18 conferred by general law applicable to a municipal utility
19 district, including Chapters 49 and 54, Water Code. (Acts 62nd
20 Leg., R.S., Ch. 344, Sec. 5 (part); New.)

21 Source Law

22 Sec. 5. The district is hereby vested with, and
23 shall have and exercise, all of the rights, powers,
24 privileges, authority and functions conferred by the
25 general laws of this state applicable to municipal
26 utility districts, including without limitation those
27 conferred by Chapter 54, Title 4, Water Code, but
28

29 Revisor's Note

30 (1) Section 5, Chapter 344, Acts of the 62nd
31 Legislature, Regular Session, 1971, provides that the
32 district "is hereby vested with, and shall have and
33 exercise" certain powers. The revised law substitutes
34 "has" for the quoted language because, in context, the
35 terms are synonymous and "has" is more commonly used.

36 (2) Section 5, Chapter 344, Acts of the 62nd
37 Legislature, Regular Session, 1971, refers to the
38 "rights, powers, privileges, [and] authority" of the
39 district. The revised law omits the reference to

1 "authority" because, in context, "authority" is
2 included in the meaning of "rights, powers, [and]
3 privileges."

4 (3) Section 5, Chapter 344, Acts of the 62nd
5 Legislature, Regular Session, 1971, grants the
6 district certain powers, "including without
7 limitation those conferred by Chapter 54, Title 4,
8 Water Code." The revised law omits "without
9 limitation" because Section 311.005(13), Government
10 Code (Code Construction Act), provides that "includes"
11 and "including" are terms of enlargement and not of
12 limitation and do not create a presumption that
13 components not expressed are excluded.

14 (4) Section 5, Chapter 344, Acts of the 62nd
15 Legislature, Regular Session, 1971, refers to Chapter
16 54, Water Code. For the reader's convenience, the
17 revised law adds a reference to Chapter 49, Water Code,
18 because Chapter 715, Acts of the 74th Legislature,
19 Regular Session, 1995, repealed many provisions of
20 Chapter 54 and enacted similar provisions in Chapter
21 49, Water Code, which applies to the district under
22 Sections 49.001 and 49.002 of that chapter.

23 (5) Section 5, Chapter 344, Acts of the 62nd
24 Legislature, Regular Session, 1971, provides that the
25 act prevails over general law in case of a conflict or
26 other inconsistency and that all general laws
27 applicable to municipal utility districts not in
28 conflict or inconsistent with the provisions of the
29 act are adopted and incorporated by reference. The
30 revised law omits the portion of the provision
31 relating to the act prevailing over general law
32 because it duplicates in substance Section 311.026(b),
33 Government Code (Code Construction Act). The revised
34 law omits the portion of the provision relating to

1 adoption and incorporation of general laws because
2 Section 5 of Chapter 344 (revised as this section)
3 already provides that those laws apply to the
4 district, and it is unnecessary to repeat that
5 authority. The omitted law reads:

6 Sec. 5. . . . if any provision of
7 such general laws shall be in conflict or
8 inconsistent with the provisions of this
9 Act, the provisions of this Act shall
10 prevail. All such general laws applicable
11 to municipal utility districts not in
12 conflict or inconsistent with the
13 provisions of this Act are hereby adopted
14 and incorporated by reference with the same
15 effect as if copied in full in this Act.

16 Revisor's Note
17 (End of Chapter)

18 (1) Section 7, Chapter 344, Acts of the 62nd
19 Legislature, Regular Session, 1971, contains
20 legislative findings relating to the performance of
21 the requirements of Section 59(d), Article XVI, Texas
22 Constitution, and to the authority of the legislature
23 to enact that chapter. The revised law omits the
24 provision as executed. The omitted law reads:

25 Sec. 7. The Legislature specifically
26 finds and declares that the requirements of
27 Article XVI, Section 59(d) of the
28 Constitution of Texas have been performed
29 and accomplished in due course and time and
30 order, and that the Legislature has the
31 power and authority to enact this Act.

32 (2) Section 8, Chapter 344, Acts of the 62nd
33 Legislature, Regular Session, 1971, provides that the
34 act is severable. The revised law omits that provision
35 because it duplicates Section 311.032, Government Code
36 (Code Construction Act), which provides that a
37 provision of a statute is severable from each other
38 provision of the statute that can be given effect. The
39 omitted law reads:

40 Sec. 8. If any word, phrase, clause,
41 paragraph, sentence, part, portion or
42 provision of this Act or the application
43 thereof to any persons or circumstances
44 shall be held to be invalid or
45 unconstitutional, the remainder of the Act

1 shall nevertheless be valid and the
2 Legislature hereby declares that this Act
3 would have been enacted without such
4 invalid or unconstitutional word, phrase,
5 clause, paragraph, sentence, part, portion
6 or provision.

7 SUBTITLE H. DISTRICTS GOVERNING GROUNDWATER

8 CHAPTER 8805. LIPAN-KICKAPOO WATER CONSERVATION DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8805.001. DEFINITIONS 1988
11 Sec. 8805.002. NATURE OF DISTRICT 1988
12 Sec. 8805.003. LEGISLATIVE FINDINGS 1989
13 Sec. 8805.004. DISTRICT TERRITORY 1989
14 Sec. 8805.005. OWNERSHIP OF GROUNDWATER AND SURFACE

15 WATER RIGHTS NOT AFFECTED BY CHAPTER . . . 1990

16 [Sections 8805.006-8805.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8805.051. COMPOSITION OF BOARD; TERMS 1992
19 Sec. 8805.052. ELECTION OF DIRECTORS 1993
20 Sec. 8805.053. QUALIFICATIONS FOR ELECTION 1994
21 Sec. 8805.054. BOARD VACANCY 1995
22 Sec. 8805.055. COMPOSITION OF BOARD AND ELECTION OF
23 DIRECTORS FOLLOWING ANNEXATION 1995
24 Sec. 8805.056. VOTE REQUIRED FOR OFFICIAL BOARD ACTION . . . 1996

25 [Sections 8805.057-8805.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8805.101. GENERAL POWERS AND DUTIES 1997
28 Sec. 8805.102. SEAL 1998
29 Sec. 8805.103. CONTROL, STORAGE, AND PRESERVATION OF
30 STORM AND FLOOD WATER 1998
31 Sec. 8805.104. RECLAMATION 1999
32 Sec. 8805.105. SOIL CONSERVATION AND IMPROVEMENT 1999
33 Sec. 8805.106. ACQUISITION OF PROPERTY 1999
34 Sec. 8805.107. SALE AND DISPOSAL OF PROPERTY 2000
35 Sec. 8805.108. BORROWING MONEY 2000
36 Sec. 8805.109. APPEARANCE BEFORE RAILROAD COMMISSION 2000

37 CHAPTER 8805. LIPAN-KICKAPOO WATER CONSERVATION DISTRICT

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Revised Law

3 Sec. 8805.001. DEFINITIONS. In this chapter:

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

5 (2) "Director" means a board member.

6 (3) "District" means the Lipan-Kickapoo Water
7 Conservation District. (Acts 70th Leg., R.S., Ch. 439, Sec. 1;
8 New.)

9 Source Law

10 Sec. 1. In this Act:

11 (1) "District" means the Lipan-Kickapoo
12 Water Conservation District.

13 (2) "Board" means the district's board of
14 directors.

15 Revisor's Note

16 The definition of "director" is added to the
17 revised law for drafting convenience and to eliminate
18 frequent, unnecessary repetition of the substance of
19 the definition.

20 Revised Law

21 Sec. 8805.002. NATURE OF DISTRICT. The district is created
22 under Section 59, Article XVI, Texas Constitution, to provide for
23 the conservation, preservation, protection, recharge, and
24 prevention of waste and pollution of the district's groundwater and
25 surface water, consistent with the objectives of Section 59,
26 Article XVI, Texas Constitution, and Chapter 36, Water Code. (Acts
27 70th Leg., R.S., Ch. 439, Secs. 2(a) (part), (b).)

28 Source Law

29 (a) . . . the Lipan-Kickapoo Water Conservation
30 District is created under the authority of Article
31 XVI, Section 59, of the Texas Constitution.

32 (b) The district is created to provide for the
33 conservation, preservation, protection, recharge, and
34 prevention of waste and pollution of the underground
35 and surface water of the district consistent with the
36 objectives of Section 59, Article XVI, Texas
37 Constitution, and Chapter 36, Water Code.

38 Revisor's Note

39 (1) Section 2(a), Chapter 439, Acts of the 70th
40 Legislature, Regular Session, 1987, refers to a

1 confirmation election. Because the confirmation
2 election has already been held, the revised law omits
3 the provision as executed. The omitted law reads:

4 Sec. 2. (a) Subject to approval at
5 an election required by Section 13 of this
6 Act,

7 (2) Section 2(b), Chapter 439, Acts of the 70th
8 Legislature, Regular Session, 1987, refers to
9 underground water. Throughout this chapter, the
10 revised law substitutes "groundwater" for
11 "underground water" because that is the term used in
12 Chapter 36, Water Code, and because that is the more
13 commonly used and modern term.

14 Revised Law

15 Sec. 8805.003. LEGISLATIVE FINDINGS. The legislature finds
16 that:

17 (1) the creation of the district is feasible and
18 practicable;

19 (2) the district will benefit the land in the
20 district;

21 (3) there is a public necessity for the district; and

22 (4) the district will provide a public use and
23 benefit. (Acts 70th Leg., R.S., Ch. 439, Sec. 3.)

24 Source Law

25 Sec. 3. The legislature finds that:

26 (1) the creation of the district is
27 feasible and practicable;

28 (2) the district will be a benefit to the
29 land contained within the boundaries of the district;

30 (3) there is a public necessity for the
31 district; and

32 (4) the district will provide a benefit
33 and utility to the public.

34 Revised Law

35 Sec. 8805.004. DISTRICT TERRITORY. The district is
36 composed of the territory described by Section 4, Chapter 439, Acts
37 of the 70th Legislature, Regular Session, 1987, as that territory
38 may have been modified under:

39 (1) Subchapter J, Chapter 36, Water Code; or

1 (2) other law. (New.)

2 Revisor's Note

3 The revision of the law governing the district
4 does not revise the statutory language describing the
5 territory of the district to avoid the lengthy
6 recitation of the description. Additionally, because
7 the district's boundaries are subject to change, that
8 description may not be accurate on the effective date
9 of the revision or at the time of a later reading. For
10 the reader's convenience, the revised law includes a
11 reference to the statutory description of the
12 district's territory and to the authority to change the
13 district's territory under Subchapter J, Chapter 36,
14 Water Code, applicable to groundwater conservation
15 districts. The revised law also includes a reference
16 to the general authority of the legislature to enact
17 other laws to change the district's territory.

18 Revised Law

19 Sec. 8805.005. OWNERSHIP OF GROUNDWATER AND SURFACE WATER
20 RIGHTS NOT AFFECTED BY CHAPTER. The ownership and rights of the
21 owner of land, the owner's lessees, and assigns in groundwater and
22 any surface water rights are recognized and this chapter does not
23 deprive or divest the owner, the owner's lessees, or assigns of
24 those ownership rights. (Acts 70th Leg., R.S., Ch. 439, Sec. 16.)

25 Source Law

26 Sec. 16. The ownership and rights of the owner
27 of land, his lessees, and assigns in underground water
28 and any surface water rights are recognized and this
29 Act does not deprive or divest the owner, his lessees,
30 or assigns of those ownership rights.

31 Revisor's Note

32 (End of Subchapter)

33 (1) Section 13, Chapter 439, Acts of the 70th
34 Legislature, Regular Session, 1987, provides
35 procedures for holding an election to confirm the
36 district's creation and to elect the district's initial
37 board. Because the district has been confirmed and its

1 initial directors have been elected, the revised law
2 omits those provisions as executed. The omitted law
3 reads:

4 Sec. 13. (a) Not later than the 90th
5 day after the effective date of this Act,
6 the temporary directors shall meet and
7 shall call an election to be held not later
8 than the 180th day after the effective date
9 of this Act within the boundaries of the
10 proposed district to approve the creation
11 of the district.

12 (b) Subsection (a), Section 41.001,
13 Election Code, does not apply to an election
14 called under this section.

15 (c) In the order calling the
16 election, the temporary directors shall
17 designate county area places and the
18 at-large position and polling places for
19 the election.

20 (d) The propositions to be voted on
21 shall include the question of whether the
22 establishment of the district is confirmed
23 and the election of the board of directors.
24 The election may also include the question
25 of levying, assessing, and collecting an ad
26 valorem tax throughout the district.

27 (e) The temporary directors shall
28 publish notice of the election two times in
29 one or more newspapers of general
30 circulation within the boundaries of the
31 proposed district. The notice must be
32 published not later than the 30th day and
33 the 10th day preceding the date of the
34 election.

35 (f) Returns of the election shall be
36 made to the temporary directors who shall
37 canvass the returns and declare the results
38 of the election.

39 (g) If the creation of the district
40 is defeated, all of the propositions
41 relating to the district are defeated, and
42 another election may not be called and held
43 during the 12-month period immediately
44 following the date on which the most recent
45 election on the proposition or propositions
46 was held. If the district is not created
47 within five years after the effective date
48 of this Act, this Act expires.

49 (h) Except as specifically provided
50 by this section, an election under this Act
51 is governed by the Election Code.

52 (2) Section 15, Chapter 439, Acts of the 70th
53 Legislature, Regular Session, 1987, refers to the
54 continuing right of this state to supervise the
55 district through the Texas Water Commission. The
56 revised law omits the provision because the Texas
57 Commission on Environmental Quality is the successor
58 to the Texas Water Commission, and therefore the

1 provision duplicates, in substance, part of Section
2 12.081, Water Code, which applies to the district. The
3 omitted law reads:

4 Sec. 15. The district is subject to
5 the continuing right of supervision by the
6 state, to be exercised by the Texas Water
7 Commission.

8 [Sections 8805.006-8805.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Revised Law

11 Sec. 8805.051. COMPOSITION OF BOARD; TERMS. (a) The board
12 consists of:

13 (1) an equal number of directors from each county in
14 the district, elected by a majority vote of the voters residing in
15 any part of the county that is included in the district; and

16 (2) one director elected from the district at large.

17 (b) Directors serve staggered four-year terms.

18 (c) A director takes office at the first regular meeting of
19 the board following the director's election to the board. (Acts
20 70th Leg., R.S., Ch. 439, Secs. 8(a) (part), 9(b), 10(a).)

21 Source Law

22 Sec. 8. (a) The board consists of an equal
23 number of directors from each county, elected by a
24 majority vote of the qualified voters residing in the
25 part of the county that is included in the district,
26 and one director elected from the district at
27 large. . . .

28 [Sec. 9]

29 (b) A director takes office at the first regular
30 meeting of the board following election to the board.

31 Sec. 10. (a) Directors serve staggered
32 four-year terms.

33 Revisor's Note

34 (1) Section 8(a), Chapter 439, Acts of the 70th
35 Legislature, Regular Session, 1987, refers to an
36 election by the "qualified" voters of the district and
37 of the parts of each county included in the district.
38 The revised law omits "qualified" as unnecessary in
39 this context because Chapter 11, Election Code,
40 governs eligibility to vote in an election in this

1 state and allows only "qualified" voters who are
2 residents of the territory covered by the election to
3 vote in an election.

4 (2) Section 8(a), Chapter 439, Acts of the 70th
5 Legislature, Regular Session, 1987, provides that the
6 board consists of not fewer than five and not more than
7 11 directors. The revised law omits the provision
8 because it duplicates part of Section 36.051(a), Water
9 Code. Throughout this chapter, the revised law omits
10 law that duplicates law contained in Chapter 36, Water
11 Code, which applies to the district under Section
12 8805.101 of this chapter and Section 36.001(1), Water
13 Code. The omitted law reads:

14 (a) . . . The board consists of not
15 fewer than 5 and not more than 11 directors.

16 Revised Law

17 Sec. 8805.052. ELECTION OF DIRECTORS. (a) Every second
18 year, the board shall hold an election on the uniform election date
19 in May provided by Section 41.001, Election Code, to elect the
20 appropriate number of directors.

21 (b) Three directors are elected at one election and four at
22 the next election in continuing sequence unless the number of
23 directors changes under Section 8805.055. (Acts 70th Leg., R.S.,
24 Ch. 439, Secs. 9(a), 10(b).)

25 Source Law

26 Sec. 9. (a) Every second year the board shall
27 call and hold an election on the uniform election date
28 in May provided by Section 41.001, Election Code, to
29 elect the appropriate number of directors to the
30 board.

31 [Sec. 10]

32 (b) Three directors shall be elected at one
33 election and four at the next election in continuing
34 sequence until there is a change in the number of
35 directors under Section 8 of this Act.

36 Revisor's Note

37 Section 9(a), Chapter 439, Acts of the 70th
38 Legislature, Regular Session, 1987, requires the board
39 to "call and hold" certain directors' elections. The

1 revised law omits the reference to "calling" an
2 election because, in this context, "calling" an
3 election is included in the meaning of "holding" an
4 election. Under Chapter 3, Election Code, all
5 elections must be ordered (called) before they may be
6 held.

7 Revised Law

8 Sec. 8805.053. QUALIFICATIONS FOR ELECTION. (a) To be
9 qualified for election as a director, a person must be:

10 (1) a resident of the district or proposed district;
11 and

12 (2) at least 18 years of age.

13 (b) In addition to the requirements of Subsection (a), a
14 director from a county area must be a resident of that county.

15 (Acts 70th Leg., R.S., Ch. 439, Secs. 7(a) (part), (b).)

16 Source Law

17 Sec. 7. (a) To be qualified for election as a
18 director, a person must be:

19 (1) a resident of the district or proposed
20 district;

21 (2) at least 18 years of age; and

22 . . .
23 (b) In addition to the requirements of
24 Subsection (a) of this section, a director from a
25 county area must be a resident of that county.

26 Revisor's Note

27 Section 7(a), Chapter 439, Acts of the 70th
28 Legislature, Regular Session, 1987, provides that to
29 be qualified for election as a director, a person may
30 not be disqualified by Section 36.051, Water Code. The
31 revised law omits the provision because the
32 eligibility provisions contained in Section
33 36.051(b), Water Code, apply to prospective directors
34 on their own terms. The omitted law reads:

35 (a) [To be qualified for election as
36 a director, a person must be:]

37 . . .
38 (3) not otherwise disqualified
39 by Section 36.051, Water Code.

1 Revised Law

2 Sec. 8805.054. BOARD VACANCY. (a) If a vacancy occurs in
3 the office of director, the remaining directors shall appoint a
4 replacement who meets the qualifications of Section 8805.053.

5 (b) The appointed replacement serves until the next
6 directors' election.

7 (c) If the position is not regularly scheduled to be filled
8 at the next election, the person elected to fill the position serves
9 for the remainder of the unexpired term. (Acts 70th Leg., R.S., Ch.
10 439, Sec. 8(b).)

11 Source Law

12 (b) If a vacancy occurs in the office of
13 director, the remaining directors shall select a
14 person with the qualifications as provided by Section
15 7 of this Act. The person selected serves until the
16 next directors' election. If the position is not
17 regularly scheduled to be filled at that election, the
18 person elected serves for the remainder of the
19 unexpired term.

20 Revised Law

21 Sec. 8805.055. COMPOSITION OF BOARD AND ELECTION OF
22 DIRECTORS FOLLOWING ANNEXATION. (a) When the district annexes
23 territory, the board shall change the number of directors, if
24 necessary, so that:

25 (1) an equal number of directors is elected by
26 district voters of each county; and

27 (2) one director is elected from the district at
28 large.

29 (b) If the board changes the number of directors under
30 Subsection (a), the board shall provide that, as nearly as
31 possible, half of the directors are elected at each subsequent
32 election in continuing sequence. (Acts 70th Leg., R.S., Ch. 439,
33 Sec. 8(c).)

34 Source Law

35 (c) When territory is annexed by the district,
36 the board shall, if necessary, change the number of
37 directors so that an equal number of directors is
38 elected by district voters of each county and one
39 director is elected from the district at large. The
40 board shall provide that, as nearly as possible, half
41 of the directors are elected at each subsequent

1 election in continuing sequence.

2 Revised Law

3 Sec. 8805.056. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An
4 official action of the board is not valid without the affirmative
5 vote of a majority of the directors. (Acts 70th Leg., R.S., Ch.
6 439, Sec. 12 (part).)

7 Source Law

8 Sec. 12. . . . an official action of the board
9 is not valid without the affirmative vote of a majority
10 of the members of the board.

11 Revisor's Note

12 Section 12, Chapter 439, Acts of the 70th
13 Legislature, Regular Session, 1987, provides that a
14 majority of board members constitutes a quorum for the
15 transaction of district business. The revised law
16 omits the provision because it duplicates, in
17 substance, Section 36.053, Water Code. The omitted
18 law reads:

19 Sec. 12. A majority of the members of
20 the board constitutes a quorum for the
21 transaction of business of the district,
22 but

23 Revisor's Note
24 (End of Subchapter)

25 (1) Section 6, Chapter 439, Acts of the 70th
26 Legislature, Regular Session, 1987, names the
27 temporary directors and provides for the selection of
28 officers and for filling vacancies on the temporary
29 board. Because the terms of the temporary directors
30 have expired, the revised law omits those provisions
31 as executed. The omitted law reads:

32 Sec. 6. (a) On the effective date of
33 this Act, the following persons are
34 designated as temporary directors of the
35 district:

- 36 (1) Michael Hoelscher;
37 (2) James Ripple;
38 (3) Gregory Phinney;
39 (4) Harvey Williams;
40 (5) F. G. Brown;
41 (6) Joe Brosig; and
42 (7) A. H. Denis III.

43 (b) If a vacancy occurs in the office
44 of temporary director, the remaining

1 temporary directors shall select a person
2 with the qualifications as provided by
3 Section 7 of this Act.

4 (c) The temporary directors shall
5 select from their members persons to serve
6 as chairperson, vice-chairperson, and
7 secretary.

8 (d) The temporary directors shall
9 serve until their successors are elected
10 and have qualified.

11 (2) Section 11, Chapter 439, Acts of the 70th
12 Legislature, Regular Session, 1987, provides that a
13 director is entitled to certain fees of office and
14 reimbursement for certain expenses. The revised law
15 omits the provision because it duplicates, in
16 substance, Section 36.060, Water Code. The omitted
17 law reads:

18 Sec. 11. (a) A director is entitled
19 to receive fees of office as provided by
20 Chapter 36, Water Code, for each day the
21 director spends performing the duties of a
22 director.

23 (b) Each director is entitled to
24 receive reimbursement of actual expenses
25 reasonably and necessarily incurred while
26 engaging in duties on behalf of the
27 district.

28 [Sections 8805.057-8805.100 reserved for expansion]

29 SUBCHAPTER C. POWERS AND DUTIES

30 Revised Law

31 Sec. 8805.101. GENERAL POWERS AND DUTIES. (a) Except to
32 the extent of any conflict with this chapter or as specifically
33 limited by this chapter, the district:

34 (1) is governed by and subject to Chapter 36 and
35 Subchapters H and I, Chapter 49, Water Code; and

36 (2) may exercise the powers provided by the chapters
37 described by Subdivision (1), including the power to issue bonds,
38 impose taxes, and exercise eminent domain authority.

39 (b) The district shall exercise the duties provided by the
40 chapters specified by Subsection (a)(1). (Acts 70th Leg., R.S.,
41 Ch. 439, Secs. 5, 14(1).)

42 Source Law

43 Sec. 5. Except to the extent of any conflict
44 with this Act or as specifically limited by this Act,
45 the district is governed by and subject to Chapter 36

1 and Subchapters H and I, Chapter 49, Water Code, and
2 may exercise all of the powers contained in these
3 chapters, including the powers to issue bonds and levy
4 and collect taxes and the power of eminent domain. The
5 district shall exercise all of the duties provided by
6 these chapters.

7 [Sec. 14]

8 (1) Except to the extent of any conflict with
9 this Act or as specifically limited by this Act, the
10 district may exercise the powers granted and shall
11 perform the duties under Chapter 36, Water Code.

12 Revisor's Note

13 Section 5, Chapter 439, Acts of the 70th
14 Legislature, Regular Session, 1987, refers to the
15 district's authority to "levy and collect" taxes. The
16 revised law substitutes "impose" for "levy and
17 collect" because "impose" is the term generally used
18 in Title 1, Tax Code, and includes the levy or
19 collection of a tax.

20 Revised Law

21 Sec. 8805.102. SEAL. The board may adopt a seal for the
22 district. (Acts 70th Leg., R.S., Ch. 439, Sec. 14(b).)

23 Source Law

24 (b) The board may adopt a seal for the district.

25 Revised Law

26 Sec. 8805.103. CONTROL, STORAGE, AND PRESERVATION OF STORM
27 AND FLOOD WATER. The district may control, store, and preserve
28 storm water and floodwater in the district and water of rivers and
29 streams in the district for:

30 (1) irrigation of arid land;

31 (2) prevention of floods and flood damage in the
32 district; and

33 (3) domestic, agricultural, and industrial use. (Acts
34 70th Leg., R.S., Ch. 439, Sec. 14(c).)

35 Source Law

36 (c) The district may control, store, and
37 preserve the storm water and floodwater in the
38 district and the water of rivers and streams in the
39 district for irrigation of arid land, prevention of
40 floods and flood damage in the district, and domestic,
41 agricultural, and industrial use.

1 Revised Law

2 Sec. 8805.104. RECLAMATION. The district may:

3 (1) reclaim land in the district; and

4 (2) construct works, facilities, and improvements
5 necessary to accomplish that purpose. (Acts 70th Leg., R.S., Ch.
6 439, Sec. 14(d).)

7 Source Law

8 (d) The district may reclaim land within the
9 district and may construct the necessary works,
10 facilities, and improvements to accomplish this
11 purpose.

12 Revised Law

13 Sec. 8805.105. SOIL CONSERVATION AND IMPROVEMENT. The
14 district may construct and maintain terraces or other structures on
15 land in the district and may engage in or promote land treatment
16 measures for soil conservation and improvement. (Acts 70th Leg.,
17 R.S., Ch. 439, Sec. 14(e).)

18 Source Law

19 (e) The district may construct and maintain
20 terraces and other structures on land in the district
21 and may engage in and promote land treatment measures
22 for soil conservation and improvement.

23 Revised Law

24 Sec. 8805.106. ACQUISITION OF PROPERTY. The district may
25 acquire land or other property necessary to carry out this chapter
26 by:

27 (1) gift;

28 (2) grant;

29 (3) devise;

30 (4) lease;

31 (5) purchase; or

32 (6) condemnation. (Acts 70th Leg., R.S., Ch. 439,
33 Sec. 14(h).)

34 Source Law

35 (h) The district may acquire by gift, grant,
36 devise, lease, purchase, or condemnation any land or
37 other property necessary to carry out this Act.

1 Revised Law

2 Sec. 8805.107. SALE AND DISPOSAL OF PROPERTY. Subject to
3 this chapter and Chapter 36, Water Code, the district may sell or
4 otherwise dispose of land and other property of the district that
5 the board determines is not necessary to carry out the purposes or
6 powers of the district. (Acts 70th Leg., R.S., Ch. 439, Sec. 14(i).)

7 Source Law

8 (i) Subject to this Act and Chapter 36, Water
9 Code, the district may sell or otherwise dispose of
10 land and other property of the district that the board
11 determines is not necessary to carry out the purposes
12 or powers of the district.

13 Revised Law

14 Sec. 8805.108. BORROWING MONEY. The district may borrow
15 money for any purpose authorized by this chapter. (Acts 70th Leg.,
16 R.S., Ch. 439, Sec. 14(k).)

17 Source Law

18 (k) The district may borrow money for any
19 purpose authorized by this Act.

20 Revised Law

21 Sec. 8805.109. APPEARANCE BEFORE RAILROAD COMMISSION. The
22 district, through the directors or the district's general manager,
23 may appear before the Railroad Commission of Texas and present
24 evidence and information relating to any pending permit application
25 for an injection well to be located in the district. (Acts 70th
26 Leg., R.S., Ch. 439, Sec. 14(j).)

27 Source Law

28 (j) The district through the members of the
29 board or its general manager may appear before the
30 Railroad Commission of Texas and present evidence and
31 information relating to any pending permit application
32 for an injection well to be located within the
33 district.

34 Revisor's Note
35 (End of Subchapter)

36 (1) Section 14(a), Chapter 439, Acts of the 70th
37 Legislature, Regular Session, 1987, provides that the
38 board may enter into contracts as provided by Chapter
39 36, Water Code, and that contracts shall be executed in
40 the name of the district. The revised law omits that

1 provision because Section 36.067, Water Code, which
2 addresses contracts, applies to the district under
3 Section 8805.101 and on its own terms, and Section
4 36.067(a), Water Code, specifies that the district
5 shall enter into contracts in the name of the district.

6 The omitted law reads:

7 Sec. 14. (a) The board may enter
8 into contracts as provided by Chapter 36,
9 Water Code, and those contracts shall be
10 executed by the board in the name of the
11 district.

12 (2) Section 14(f), Chapter 439, Acts of the 70th
13 Legislature, Regular Session, 1987, provides that the
14 district may construct or acquire and improve and
15 maintain certain facilities and improvements. The
16 revised law omits the provision because it duplicates,
17 in substance, Section 49.211(b), Water Code, which
18 applies to the district under Section 8805.101 of this
19 chapter. The omitted law reads:

20 (f) The district may construct or
21 acquire and improve and maintain works,
22 facilities, and improvements necessary to
23 carry out the purposes, powers, and plans of
24 the district.

25 (3) Section 14(g), Chapter 439, Acts of the 70th
26 Legislature, Regular Session, 1987, provides that the
27 district may construct and acquire works, facilities,
28 and improvements as provided by Chapter 36, Water
29 Code. The revised law omits the provision because it
30 duplicates, in substance, Section 36.103, Water Code.
31 The omitted law reads:

32 (g) The district may construct and
33 acquire works, facilities, and improvements
34 in the manner provided by Chapter 36, Water
35 Code.

36 Revisor's Note
37 (End of Chapter)

38 (1) Section 17, Chapter 439, Acts of the 70th
39 Legislature, Regular Session, 1987, recites
40 legislative findings regarding procedural

1 requirements for legislation affecting the district
2 under the constitution and other laws and rules,
3 including proper legal notice and the filing of
4 recommendations. The revised law omits those
5 provisions as executed. The omitted law reads:

6 Sec. 17. The legislature finds that
7 proper and legal notice of the intention to
8 introduce this Act, setting forth the
9 general substance of this Act, has been
10 published as provided by law, and the notice
11 and a copy of this Act have been furnished
12 to all persons, agencies, officials, or
13 entities to which they are required to be
14 furnished by the constitution and laws of
15 this state, including the Governor of
16 Texas, who has submitted the notice and Act
17 to the Texas Water Commission. Also, the
18 legislature finds that the Texas Water
19 Commission has filed its recommendations
20 relating to this Act with the governor,
21 lieutenant governor, and speaker of the
22 house of representatives, within the
23 required time. All requirements of the
24 constitution and laws of this state and the
25 rules and procedures of the legislature
26 with respect to the notice, introduction,
27 and passage of this Act have been fulfilled
28 and accomplished.

29 (2) Sections 7 and 8, Chapter 1310, Acts of the
30 77th Legislature, Regular Session, 2001, validate
31 certain actions of the district taken before June 16,
32 2001. Those provisions are omitted from the revised
33 law because they served their purposes on the day they
34 took effect and are executed law. Section
35 311.031(a)(2), Government Code (Code Construction
36 Act), provides that the repeal of a statute does not
37 affect any validation previously made under the
38 statute. Therefore, the omission of the executed
39 validation provision does not affect the validation.
40 The omitted law reads:

41 Sec. 7. The following acts of the
42 Lipan-Kickapoo Water Conservation District
43 are validated and confirmed in all respects
44 as if the actions had been taken as
45 authorized by law:

46 (1) all acts and governmental
47 proceedings of the district taken before
48 the effective date of this Act, including
49 the adoption of rules, the approval or
50 issuance of water well drilling permits,

1 and annexations of land;
 2 (2) all bonds and other
 3 obligations of the district authorized or
 4 issued before the effective date of this
 5 Act, including all proceedings taken before
 6 the effective date of this Act that are
 7 related to those bonds or other
 8 obligations; and
 9 (3) all directors of the
 10 district whether elected or appointed who
 11 took office before the effective date of
 12 this Act.
 13 Sec. 8. Section 7 of this Act does
 14 not apply to any act, proceeding, director,
 15 bond, or obligation the validity of which or
 16 of whom is the subject of litigation that is
 17 pending on the effective date of this Act.

18 CHAPTER 8809. ANDERSON COUNTY UNDERGROUND WATER CONSERVATION
 19 DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8809.001. DEFINITIONS 2004
 22 Sec. 8809.002. NATURE OF DISTRICT 2004
 23 Sec. 8809.003. LEGISLATIVE FINDINGS 2005
 24 Sec. 8809.004. DISTRICT TERRITORY 2005

25 [Sections 8809.005-8809.050 reserved for expansion]

26 SUBCHAPTER B. BOARD OF DIRECTORS

27 Sec. 8809.051. COMPOSITION OF BOARD; TERMS 2007
 28 Sec. 8809.052. ELECTION DATE 2007
 29 Sec. 8809.053. QUALIFICATIONS FOR ELECTION 2008
 30 Sec. 8809.054. BOARD RESOLUTIONS; VOTING REQUIREMENTS . . . 2010
 31 Sec. 8809.055. NOTICE OF MEETINGS 2011

32 [Sections 8809.056-8809.100 reserved for expansion]

33 SUBCHAPTER C. POWERS AND DUTIES

34 Sec. 8809.101. GROUNDWATER CONSERVATION DISTRICT
 35 POWERS AND DUTIES 2012
 36 Sec. 8809.102. LIMITATIONS ON DISTRICT POWERS 2013
 37 Sec. 8809.103. REGULATION OF GROUNDWATER PUMPING AND
 38 USE 2014
 39 Sec. 8809.104. PURCHASE OF WATER BY INJECTION WELL
 40 PERMIT HOLDER 2014
 41 Sec. 8809.105. DISPOSAL OF SALT DOME LEACHATE 2014
 42 Sec. 8809.106. WATER WELL FEES 2015
 43 Sec. 8809.107. DISSOLUTION OF DISTRICT 2016

1 CHAPTER 8809. ANDERSON COUNTY UNDERGROUND WATER CONSERVATION

2 DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 8809.001. DEFINITIONS. In this chapter:

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

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

8 (3) "District" means the Anderson County Underground
9 Water Conservation District. (Acts 70th Leg., R.S., Ch. 992, Sec.
10 1; New.)

11 Source Law

12 Sec. 1. In this Act:

13 (1) "District" means the Anderson County
14 Underground Water Conservation District.

15 (2) "Board" means the district's board of
16 directors.

17 Revisor's Note

18 The definition of "director" is added to the
19 revised law for drafting convenience and to eliminate
20 frequent, unnecessary repetition of the substance of
21 the definition.

22 Revised Law

23 Sec. 8809.002. NATURE OF DISTRICT. The district is created
24 under Section 59, Article XVI, Texas Constitution. (Acts 70th
25 Leg., R.S., Ch. 992, Sec. 2 (part).)

26 Source Law

27 Sec. 2. . . . the Anderson County Underground
28 Water Conservation District is created under the
29 authority of Article XVI, Section 59, of the Texas
30 Constitution.

31 Revisor's Note

32 Section 2, Chapter 992, Acts of the 70th
33 Legislature, Regular Session, 1987, refers to an
34 election to approve the creation of the district.
35 Because the election has already been held, the
36 revised law omits the provision as executed. The
37 omitted law reads:

38 Sec. 2. Subject to approval at an

1 election required by Section 11 of this Act,
2

3 Revised Law

4 Sec. 8809.003. LEGISLATIVE FINDINGS. The legislature finds
5 that:

6 (1) the creation of the district is feasible and
7 practicable;

8 (2) the district will benefit the land in the
9 district;

10 (3) there is a public necessity for the district; and

11 (4) the district will provide a public use and
12 benefit. (Acts 70th Leg., R.S., Ch. 992, Sec. 3.)

13 Source Law

14 Sec. 3. The legislature finds that:

15 (1) the creation of the district is
16 feasible and practicable;

17 (2) the district will be a benefit to the
18 land contained within the boundaries of the district;

19 (3) there is a public necessity for the
20 district; and

21 (4) the district will provide a benefit
22 and utility to the public.

23 Revised Law

24 Sec. 8809.004. DISTRICT TERRITORY. The district is
25 composed of the territory described by Section 4, Chapter 992, Acts
26 of the 70th Legislature, Regular Session, 1987, as that territory
27 may have been modified under:

28 (1) Subchapter J, Chapter 36, Water Code; or

29 (2) other law. (New.)

30 Revisor's Note

31 The revision of the law governing the district
32 does not revise the statutory language describing the
33 territory of the district to avoid the lengthy
34 recitation of the description. Additionally, because
35 the district's boundaries are subject to change, that
36 description may not be accurate on the effective date
37 of the revision or at the time of a later reading. For
38 the reader's convenience, the revised law includes a
39 reference to the statutory description of the

1 district's territory and to the authority to change the
2 district's territory under Subchapter J, Chapter 36,
3 Water Code, applicable to groundwater conservation
4 districts. The revised law also includes a reference
5 to the general authority of the legislature to enact
6 other laws to change the district's territory.

7 Revisor's Note
8 (End of Subchapter)

9 Section 11, Chapter 992, Acts of the 70th
10 Legislature, Regular Session, 1987, provides
11 procedures for holding an election to confirm the
12 district's creation and to elect the district's initial
13 board. Because the district has been confirmed and its
14 initial directors have been elected, the revised law
15 omits those provisions as executed. The omitted law
16 reads:

17 Sec. 11. (a) Not later than the 60th
18 day after the effective date of this Act,
19 the temporary directors shall meet and
20 shall call an election to be held not later
21 than the 120th day after the effective date
22 of this Act within the boundaries of the
23 proposed district to approve the creation
24 of the district.

25 (b) Subsection (a), Section 41.001,
26 Election Code, does not apply to an election
27 called under this section.

28 (c) The propositions to be voted on
29 shall include the question of whether the
30 establishment of the district is confirmed
31 and the election of the board.

32 (d) The temporary directors shall
33 publish notice of the election two times in
34 one or more newspapers of general
35 circulation within the boundaries of the
36 proposed district. The notice must be
37 published not later than the 30th day and
38 the 10th day preceding the date of the
39 election.

40 (e) Returns of the election shall be
41 made to the temporary directors who shall
42 canvass the returns and declare the results
43 of the election.

44 (f) If the creation of the district
45 is defeated, all of the propositions
46 relating to the district are defeated and
47 another election may not be called and held
48 during the 12-month period immediately
49 following the date on which the most recent
50 election on the proposition or propositions
51 was held. If the district is not created
52 within five years after the effective date
53 of this Act, this Act expires.

1 (g) Except as specifically provided
2 by this section, an election under this Act
3 is governed by the Election Code.

4 [Sections 8809.005-8809.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Revised Law

7 Sec. 8809.051. COMPOSITION OF BOARD; TERMS. (a) The board
8 is composed of nine directors.

9 (b) Directors serve staggered four-year terms. (Acts 70th
10 Leg., R.S., Ch. 992, Secs. 8, 10(a), (b) (part).)

11 Source Law

12 Sec. 8. The board of the district is composed of
13 nine members.

14 Sec. 10. (a) Except for the initial directors
15 of the district, directors shall serve four-year terms
16 of office.

17 (b) . . . After the second regular directors'
18 election, four directors shall be elected at one
19 election and five at the next election in continuing
20 sequence.

21 Revisor's Note

22 Section 10(a), Chapter 992, Acts of the 70th
23 Legislature, Regular Session, 1987, provides that,
24 except for the initial directors, directors serve
25 four-year terms of office. The revised law omits the
26 reference to the initial directors because the terms
27 of office of those directors have expired.

28 Revised Law

29 Sec. 8809.052. ELECTION DATE. Every two years, an election
30 shall be held on the uniform election date in May to elect the
31 appropriate number of directors. (Acts 70th Leg., R.S., Ch. 992,
32 Sec. 9.)

33 Source Law

34 Sec. 9. Beginning in the second year following
35 the creation election, an election shall be held on the
36 third Saturday in May every two years to elect the
37 appropriate number of directors to the board.

38 Revisor's Note

39 Section 9, Chapter 992, Acts of the 70th
40 Legislature, Regular Session, 1987, which took effect
41 June 19, 1987, requires directors' elections to be held

1 on the "third Saturday in May." At the time that act
2 took effect, Section 41.001, Election Code, provided
3 for a uniform election date for all political
4 subdivisions of the first Saturday in April. Chapter
5 14, Acts of the 69th Legislature, 3rd Called Session,
6 1986, which took effect September 1, 1987, amended
7 Section 41.001 by substituting for the uniform
8 election date in April a uniform election date of the
9 third Saturday in May. Chapter 60, Acts of the 70th
10 Legislature, 2nd Called Session, 1987, amended Section
11 41.001 to change the uniform election date in May to
12 the first Saturday in May. Section 4(b), Chapter 60,
13 provides that a political subdivision created by an
14 act of the 70th Legislature, 1987, with a general
15 election date of the third Saturday in May shall hold
16 the general election on the first Saturday in May, the
17 uniform election date. Accordingly, the district was
18 required to hold elections on what was then the uniform
19 election date in May. Chapter 1315, Acts of the 78th
20 Legislature, Regular Session, 2003, amended Section
21 41.001 to change the uniform election date in May back
22 to the third Saturday in May. Chapter 1, Acts of the
23 78th Legislature, 3rd Called Session, 2003, amended
24 Section 41.001 to change the uniform election date in
25 May back to the first Saturday in May. Chapter 471,
26 Acts of the 79th Legislature, Regular Session, 2005,
27 amended Section 41.001 to change the uniform election
28 date in May to the second Saturday in May. The revised
29 law substitutes "uniform election date in May" for
30 "third Saturday in May" to reflect those changes and to
31 preserve the legislative intent that the election be
32 held on the uniform election date in May.

33 Revised Law

34 Sec. 8809.053. QUALIFICATIONS FOR ELECTION. To be

1 qualified for election as a director, a person must be:

2 (1) a resident of the district; and

3 (2) at least 18 years of age. (Acts 70th Leg., R.S.,
4 Ch. 992, Sec. 7.)

5 Source Law

6 Sec. 7. To be qualified for election as a
7 director, a person must be:

8 (1) a resident of the district or proposed
9 district;

10 (2) at least 18 years of age; and

11 (3) not otherwise disqualified by Section
12 50.026, Water Code.

13 Revisor's Note

14 Section 7, Chapter 992, Acts of the 70th
15 Legislature, Regular Session, 1987, provides that to
16 be qualified for election as a director a person must
17 be not otherwise disqualified by Section 50.026, Water
18 Code. Chapter 715, Acts of the 74th Legislature,
19 Regular Session, 1995, repealed Chapter 50, Water
20 Code, and enacted Chapter 49, Water Code. Section
21 49.052, Water Code, is substantively similar to former
22 Section 50.026, Water Code. However, the revised law
23 does not substitute a reference to Section 49.052,
24 Water Code, because Chapter 49, Water Code, does not
25 apply to the district.

26 Section 36.052, Water Code, which applies to the
27 district (see Revisor's Note (1) to Section 8809.101),
28 provides that other laws governing the administration
29 or operation of districts created under Section 52,
30 Article III, or Section 59, Article XVI, Texas
31 Constitution, do not apply to any district governed by
32 Chapter 36. Furthermore, Section 49.001(a)(1), Water
33 Code, provides that, as used in Chapter 49, "district"
34 does not include any conservation and reclamation
35 district governed by Chapter 36 unless a special law
36 creating the district or amending the law creating the
37 district states that Chapter 49 applies to that

1 district, and Section 49.002(b), Water Code, provides
2 that Chapter 49 does not apply to a district governed
3 by Chapter 36 unless a special law creating the
4 district or amending the law creating the district
5 states that Chapter 49 applies to that district.

6 Because the district is governed by Chapter 36,
7 Water Code, and the special law creating the district
8 does not state that Chapter 49, Water Code, applies to
9 the district, Chapter 49, Water Code, does not apply to
10 the district. Accordingly, the revised law does not
11 substitute a reference to Section 49.052, Water Code,
12 for the reference to Section 50.026, Water Code.

13 Revised Law

14 Sec. 8809.054. BOARD RESOLUTIONS; VOTING REQUIREMENTS. (a)
15 The district shall act by resolutions adopted by the board.

16 (b) All directors are entitled to vote.

17 (c) The affirmative vote of a majority of the board is
18 necessary to adopt a resolution. (Acts 70th Leg., R.S., Ch. 992,
19 Secs. 13(a) (part), (b).)

20 Source Law

21 Sec. 13. (a) . . . all regular directors have
22 a vote.

23 (b) The district shall act and proceed by
24 resolution adopted by the board, and an affirmative
25 vote of a majority of the board is necessary to adopt
26 any resolution.

27 Revisor's Note

28 (1) Section 13(a), Chapter 992, Acts of the 70th
29 Legislature, Regular Session, 1987, provides that a
30 majority of the directors constitutes a quorum. The
31 revised law omits that provision because it
32 duplicates, in substance, Section 36.053, Water Code,
33 which applies to the district under Section 8809.101
34 of this chapter and Section 36.001(1), Water Code. The
35 omitted law reads:

36 Sec. 13. (a) A majority of the
37 members of the board constitutes a quorum,
38 and

1 (2) Section 13(a), Chapter 992, Acts of the 70th
2 Legislature, Regular Session, 1987, refers to
3 "regular" directors. The revised law omits "regular"
4 because the term does not add to the clear meaning of
5 the law.

6 Revised Law

7 Sec. 8809.055. NOTICE OF MEETINGS. The board must publish
8 notice in a newspaper of general circulation in the district not
9 later than the fifth day before the date the board is scheduled to
10 meet. (Acts 70th Leg., R.S., Ch. 992, Sec. 14.)

11 Source Law

12 Sec. 14. The board must publish notice in a
13 newspaper of general circulation in the district not
14 later than the fifth day before the date the board is
15 scheduled to meet.

16 Revisor's Note
17 (End of Subchapter)

18 (1) Section 6, Chapter 992, Acts of the 70th
19 Legislature, Regular Session, 1987, names the
20 temporary directors, provides for filling vacancies on
21 the temporary board, requires the temporary directors
22 to select officers, and requires the temporary
23 directors to serve until their successors are elected
24 and have qualified. Because the terms of the temporary
25 directors have expired, the revised law omits those
26 provisions as executed. The omitted law reads:

27 Sec. 6. (a) On the effective date of
28 this Act, the following persons are
29 designated as temporary directors of the
30 district:

- 31 (1) Oren Williams
32 (2) Joe Grumbles, Sr.
33 (3) Dickie Douglas
34 (4) Bill Green
35 (5) Wayne Barrett
36 (6) Robert Humphrey
37 (7) Hugh Dublin, Jr.
38 (8) Roland Higginbotham, Sr.
39 (9) Delia Ricard

40 (b) If a vacancy occurs in the office
41 of temporary director, the remaining
42 temporary directors shall select a person
43 with the qualifications as provided by
44 Section 7 of this Act.

45 (c) The temporary directors shall
46 select from their members persons to serve

1 as chairperson, vice-chairperson, and
2 secretary.

3 (d) The temporary directors shall
4 serve until their successors are elected
5 and have qualified.

6 (2) Section 10(b), Chapter 992, Acts of the 70th
7 Legislature, Regular Session, 1987, provides for the
8 terms of office of the initial directors. The revised
9 law omits those provisions as executed because the
10 terms of the initial directors have expired. The
11 omitted law reads:

12 (b) The five initial directors
13 receiving the highest number of votes at the
14 confirmation election shall serve as
15 directors until the five persons elected at
16 the second regular directors' election have
17 qualified, and the other four initial
18 directors shall serve until the four
19 persons elected at the first regular
20 directors' election have qualified. . . .

21 [Sections 8809.056-8809.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

23 Revised Law

24 Sec. 8809.101. GROUNDWATER CONSERVATION DISTRICT POWERS
25 AND DUTIES. Except to the extent of any conflict with this chapter
26 or as specifically limited by this chapter, the district is
27 governed by and subject to Chapter 36, Water Code, and has the
28 powers and duties provided by Chapter 36, Water Code. (Acts 70th
29 Leg., R.S., Ch. 992, Sec. 5 (part).)

30 Source Law

31 Sec. 5. Except to the extent of any conflict
32 with this Act or as specifically limited by this Act,
33 the district is governed by and subject to Chapter 52,
34 Water Code, and has all the powers, duties,
35 authorities, and responsibilities provided by Chapter
36 52, Water Code,

37 Revisor's Note

38 (1) Section 5, Chapter 992, Acts of the 70th
39 Legislature, Regular Session, 1987, refers to "Chapter
40 52, Water Code." Chapter 933, Acts of the 74th
41 Legislature, Regular Session, 1995, repealed Chapter
42 52, Water Code, and enacted Chapter 36, Water Code.
43 The revised law is drafted accordingly.

1 Tax Code, and includes the levy of a tax.

2 Revised Law

3 Sec. 8809.103. REGULATION OF GROUNDWATER PUMPING AND USE.

4 The district may:

5 (1) prohibit the pumping or use of groundwater if the
6 district determines that the pumping would present an unreasonable
7 risk of pollution; or

8 (2) limit the pumping of groundwater to uses
9 determined by the board to benefit the district. (Acts 70th Leg.,
10 R.S., Ch. 992, Secs. 12(a), (b).)

11 Source Law

12 Sec. 12. (a) The district may prohibit the
13 pumping or use of groundwater if the district
14 determines that the pumping would present an
15 unreasonable risk of pollution.

16 (b) The district may limit the pumping of
17 groundwater to uses determined by the board to benefit
18 the district.

19 Revised Law

20 Sec. 8809.104. PURCHASE OF WATER BY INJECTION WELL PERMIT
21 HOLDER. The district may require persons holding a permit for an
22 injection well to purchase water from the district. (Acts 70th
23 Leg., R.S., Ch. 992, Sec. 12(c).)

24 Source Law

25 (c) The district may require persons holding a
26 permit for an injection well to purchase water from the
27 district.

28 Revised Law

29 Sec. 8809.105. DISPOSAL OF SALT DOME LEACHATE. The
30 district may:

31 (1) adopt rules for the disposal of salt dome leachate
32 in the district; or

33 (2) require the disposal of salt dome leachate outside
34 the district. (Acts 70th Leg., R.S., Ch. 992, Sec. 12(d).)

35 Source Law

36 (d) The district may adopt regulations for the
37 disposal of salt dome leachate in the district or may
38 require disposal of salt dome leachate outside the
39 district.

1 Revisor's Note

2 Section 12(d), Chapter 992, Acts of the 70th
3 Legislature, Regular Session, 1987, refers to
4 "regulations" adopted by the district. The revised
5 law substitutes "rules" for "regulations" because, in
6 context, the terms are synonymous and under Section
7 311.005(5), Government Code, a rule is defined to
8 include a regulation.

9 Revised Law

10 Sec. 8809.106. WATER WELL FEES. (a) The district shall
11 impose a fee on each water well at the time a permit is first issued
12 and may impose an annual fee on each well.

13 (b) The amount of a well fee must be set according to:

- 14 (1) the size of the column pipe used in the well;
15 (2) the production capacity of the well; or
16 (3) the amount of water produced.

17 (c) The board shall adopt rules relating to the rates for
18 the fees.

19 (d) The board may:

- 20 (1) adopt rules classifying the types of uses made of
21 groundwater in the district; and
22 (2) use the classifications to determine, in part, the
23 amount of fees to be imposed under this section.

24 (e) The district may use money collected from fees to manage
25 and operate the district. (Acts 70th Leg., R.S., Ch. 992, Sec. 15.)

26 Source Law

27 Sec. 15. (a) The district shall impose a fee on
28 each water well at the time a permit is first issued
29 and the district may impose an annual fee on each well.

30 (b) The amount of a well fee imposed by the
31 district must be set according to:

- 32 (1) the size of the column pipe used in the
33 water well;
34 (2) the production capacity of the well;
35 or
36 (3) the amount of water produced.

37 (c) The board shall adopt rules relating to the
38 rates for the fee.

39 (d) The district may adopt rules classifying the
40 types of uses made of groundwater in the district and
41 may use the classifications to determine, in part, the
42 amount of fees to be imposed under this section.

1 (e) The money collected from fees may be used by
2 the district to manage and operate the district.

3 Revised Law

4 Sec. 8809.107. DISSOLUTION OF DISTRICT. The district may
5 be dissolved as provided by Subchapter P, Chapter 51, Water Code.
6 (Acts 70th Leg., R.S., Ch. 992, Sec. 16.)

7 Source Law

8 Sec. 16. The district may be dissolved as
9 provided by Subchapter P, Chapter 51, Water Code.

10 Revisor's Note
11 (End of Chapter)

12 Section 17, Chapter 992, Acts of the 70th
13 Legislature, Regular Session, 1987, recites
14 legislative findings regarding procedural
15 requirements for legislation affecting the district
16 under the constitution and other laws and rules,
17 including proper legal notice and the filing of
18 recommendations. The revised law omits those
19 provisions as executed. The omitted law reads:

20 Sec. 17. The legislature finds that
21 proper and legal notice of the intention to
22 introduce this Act, setting forth the
23 general substance of this Act, has been
24 published as provided by law, and the notice
25 and a copy of this Act have been furnished
26 to all persons, agencies, officials, or
27 entities to which they are required to be
28 furnished by the constitution and laws of
29 this state, including the Governor of
30 Texas, who has submitted the notice and Act
31 to the Texas Water Commission. Also, the
32 legislature finds that the Texas Water
33 Commission has filed its recommendations
34 relating to this Act with the governor,
35 lieutenant governor, and speaker of the
36 house of representatives, within the
37 required time. All requirements of the
38 constitution and laws of this state and the
39 rules and procedures of the legislature
40 with respect to the notice, introduction,
41 and passage of this Act have been fulfilled
42 and accomplished.

43 CHAPTER 8814. STERLING COUNTY UNDERGROUND WATER CONSERVATION

44 DISTRICT

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1 Sec. 8814.105. CONTROL, STORAGE, AND PRESERVATION OF
2 STORM AND FLOOD WATER 2036
3 Sec. 8814.106. RECLAMATION 2037
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5 Sec. 8814.108. ACQUISITION OF PROPERTY 2037
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13 Sec. 8814.116. PAYMENT OF JUDGMENTS 2040

14 CHAPTER 8814. STERLING COUNTY UNDERGROUND WATER CONSERVATION

15 DISTRICT

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Revised Law

18 Sec. 8814.001. DEFINITIONS. In this chapter:

- 19 (1) "Board" means the district's board of directors.
- 20 (2) "Director" means a board member.
- 21 (3) "District" means the Sterling County Underground

22 Water Conservation District. (Acts 70th Leg., R.S., Ch. 915, Sec.
23 2; New.)

24 Source Law

25 Sec. 2. In this Act, "district" means the
26 Sterling County Underground Water Conservation
27 District.

28 Revisor's Note

29 The definitions of "board" and "director" are
30 added to the revised law for drafting convenience and
31 to eliminate frequent, unnecessary repetition of the
32 substance of the definitions.

33 Revised Law

34 Sec. 8814.002. NATURE OF DISTRICT. The district is created
35 under Section 59, Article XVI, Texas Constitution, to provide for

1 the conservation, preservation, protection, recharge, and
2 prevention of waste and pollution of the district's groundwater and
3 surface water, consistent with the objectives of Section 59,
4 Article XVI, Texas Constitution, and Chapter 36 and Subchapters H
5 and I, Chapter 49, Water Code. (Acts 70th Leg., R.S., Ch. 915,
6 Secs. 1 (part), 29.)

7 Source Law

8 Sec. 1. . . . the Sterling County Underground
9 Water Conservation District is created pursuant to
10 Article XVI, Section 59, of the Texas Constitution.

11 Sec. 29. The district is created to provide for
12 the conservation, preservation, protection, recharge,
13 and prevention of waste and pollution of the
14 groundwater and surface water of the district
15 consistent with the objectives of Article XVI, Section
16 59, of the Texas Constitution, and Chapter 36 and
17 Subchapters H and I, Chapter 49, Water Code.

18 Revisor's Note

19 Section 1, Chapter 915, Acts of the 70th
20 Legislature, Regular Session, 1987, refers to a
21 confirmation election. Because the confirmation
22 election has already been held, the revised law omits
23 the provision as executed. The omitted law reads:

24 Sec. 1. On approval at the election
25 called and held under Section 6 of this Act,
26

27 Revised Law

28 Sec. 8814.003. LEGISLATIVE FINDINGS. The legislature finds
29 that:

30 (1) the organization of the district is feasible and
31 practicable;

32 (2) the land to be included in and the residents of the
33 district will benefit from the creation of the district;

34 (3) there is a public necessity for the district; and

35 (4) the creation of the district will further the
36 public welfare. (Acts 70th Leg., R.S., Ch. 915, Sec. 3.)

37 Source Law

38 Sec. 3. The legislature finds that:
39 (1) the organization of the district is
40 feasible and practicable;
41 (2) the land to be included in and the

1 residents of the district will be benefited by the
2 creation of the district;

3 (3) there is a public necessity for the
4 district; and

5 (4) the creation of the district will
6 further the public welfare.

7 Revised Law

8 Sec. 8814.004. DISTRICT TERRITORY. The district is
9 composed of the territory in Sterling County unless the district's
10 territory has been modified under:

11 (1) Subchapter J or K, Chapter 36, Water Code; or

12 (2) other law. (Acts 70th Leg., R.S., Ch. 915, Sec. 4;
13 New.)

14 Source Law

15 Sec. 4. The district is composed of all the
16 territory located within Sterling County and any
17 additional territory annexed to or consolidated with
18 the district.

19 Revisor's Note

20 Section 4, Chapter 915, Acts of the 70th
21 Legislature, Regular Session, 1987, provides that the
22 district is composed of the territory in Sterling
23 County and "any additional territory annexed to or
24 consolidated with the district." For the reader's
25 convenience, the revised law substitutes for the
26 quoted language a reference to the authority to add
27 territory to the district under Subchapter J, Chapter
28 36, Water Code, and to consolidate territory with the
29 district under Subchapter K, Chapter 36, Water Code,
30 which are applicable to groundwater conservation
31 districts, and a reference to the general authority of
32 the legislature to enact other laws to change the
33 district's territory.

34 Revised Law

35 Sec. 8814.005. DISTRICT NAME CHANGE. The board may change
36 the name of the district if additional territory is annexed to or
37 consolidated with the district. (Acts 70th Leg., R.S., Ch. 915,
38 Sec. 28.)

1 procedures for holding an election to confirm the
2 district's creation. Because the district has been
3 confirmed, the revised law omits the provision as
4 executed. The omitted law reads:

5 Sec. 6. (a) Not later than the 30th
6 day after the effective date of this Act,
7 the temporary directors shall meet and
8 shall call an election to be held not later
9 than the 120th day after the effective date
10 of this Act within the boundaries of the
11 proposed district to approve the creation
12 of the district.

13 (b) Section 41.001(a), Election
14 Code, does not apply to an election under
15 this section.

16 (c) The temporary directors shall
17 publish notice of the election at least one
18 time in a newspaper or newspapers that have
19 general circulation within the boundaries
20 of the proposed district. The notice must be
21 published before the 30th day preceding the
22 date of the election.

23 (d) The ballot for the election must
24 be printed to provide for voting for or
25 against the proposition: "The creation of
26 the Sterling County Underground Water
27 Conservation District."

28 (e) If a majority of the votes cast at
29 the election favor the creation of the
30 district, the temporary directors shall
31 declare the district created and shall
32 enter the results in its minutes. If a
33 majority of the votes cast at the election
34 are against the creation of the district,
35 the temporary directors shall declare the
36 district defeated and shall enter the
37 results in its minutes. The temporary
38 directors shall file a copy of the election
39 results with the Texas Water Commission.

40 (f) If the creation of the district
41 is defeated, further elections may be
42 called by the temporary directors to create
43 the district, but another election to
44 confirm creation of the district may not be
45 called and held before the first
46 anniversary of the most recent creation
47 election. If the district is not created
48 within five years after the effective date
49 of this Act, this Act expires.

50 (g) Except as specifically provided
51 by this section, a creation election is
52 governed by the Election Code.

53 (2) Section 26, Chapter 915, Acts of the 70th
54 Legislature, Regular Session, 1987, refers to the
55 continuing right of this state to supervise the
56 district through the Texas Water Commission. The
57 revised law omits the provision because the Texas
58 Commission on Environmental Quality is the successor

1 to the Texas Water Commission, and therefore the
2 provision duplicates, in substance, part of Section
3 12.081, Water Code, which applies to the district. The
4 omitted law reads:

5 Sec. 26. The district is subject to
6 the continuing right of supervision by the
7 State of Texas to be exercised by the Texas
8 Water Commission under this Act and the
9 Water Code.

10 (3) Section 31(b), Chapter 915, Acts of the 70th
11 Legislature, Regular Session, 1987, provides that if
12 there is a conflict between the act and Chapter 36,
13 Water Code, the act controls. The revised law omits
14 that provision because it duplicates, in substance,
15 Section 311.026, Government Code (Code Construction
16 Act), and it duplicates part of Section 36.052(a),
17 Water Code, which provides that a "special law
18 governing a specific district" prevails over Chapter
19 36. Throughout this chapter, the revised law omits law
20 that duplicates law contained in Chapter 36, Water
21 Code, which applies to the district under Section
22 8814.101 of this chapter and Section 36.001(1), Water
23 Code. The omitted law reads:

24 (b) If there is a conflict between
25 this Act and Chapter 36, Water Code, this
26 Act controls.

27 [Sections 8814.008-8814.050 reserved for expansion]

28 SUBCHAPTER B. DISTRICT ADMINISTRATION

29 Revised Law

30 Sec. 8814.051. COMPOSITION OF BOARD; TERMS. (a) The board
31 is composed of five directors.

32 (b) Directors serve staggered four-year terms.

33 (c) A director takes office at the first regular meeting of
34 the board following the director's election to the board. (Acts
35 70th Leg., R.S., Ch. 915, Secs. 8(a), 11, 12.)

36 Source Law

37 Sec. 8. (a) The board of directors of the
38 district is composed of five members.

1 Sec. 11. Except for the initial directors of the
2 district, directors shall serve for staggered
3 four-year terms.

4 Sec. 12. A director takes office at the first
5 regular meeting of the board following election to the
6 board.

7 Revisor's Note

8 Section 11, Chapter 915, Acts of the 70th
9 Legislature, Regular Session, 1987, provides that,
10 except for the initial directors, directors serve
11 four-year terms of office. The revised law omits the
12 reference to the initial directors because the terms
13 of office of those directors have expired.

14 Revised Law

15 Sec. 8814.052. ELECTION OF DIRECTORS. One director is
16 elected from the district at large. One director is elected from
17 each county commissioners precinct. (Acts 70th Leg., R.S., Ch.
18 915, Sec. 8(b).)

19 Source Law

20 (b) One director shall be elected from the
21 district at large and one director shall be elected
22 from each county commissioner precinct.

23 Revised Law

24 Sec. 8814.053. ELECTION DATE. Every two years, an election
25 shall be held on the uniform election date in May to elect the
26 appropriate number of directors. (Acts 70th Leg., R.S., Ch. 915,
27 Sec. 10.)

28 Source Law

29 Sec. 10. Beginning in the year following the
30 creation election, an election shall be held on the
31 uniform election day in May every two years to elect
32 the appropriate number of directors to the board.

33 Revised Law

34 Sec. 8814.054. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO
35 SERVE. (a) To be qualified for election as a director, a person
36 must be:

37 (1) a resident of the district; and

38 (2) at least 18 years of age.

39 (b) In addition to the requirements of Subsection (a), a

1 person who is a director from a county commissioners precinct must
2 be a resident of that precinct unless the composition of the board
3 is changed by annexation or consolidation. (Acts 70th Leg., R.S.,
4 Ch. 915, Sec. 9.)

5 Source Law

6 Sec. 9. (a) To be qualified for election as a
7 director, a person must be a resident of the district
8 and must be at least 18 years of age.

9 (b) In addition to the requirements of
10 Subsection (a) of this section, a person who is a
11 director from a county commissioner precinct must be a
12 resident of that precinct unless the composition of
13 the board is changed by annexation or consolidation.

14 Revised Law

15 Sec. 8814.055. 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., R.S., Ch. 915,
18 Sec. 13.)

19 Source Law

20 Sec. 13. A vacancy on the board is filled by
21 appointment of the remaining members of the board for
22 the unexpired term.

23 Revised Law

24 Sec. 8814.056. COMPOSITION OF BOARD FOLLOWING ANNEXATION OR
25 CONSOLIDATION. If the district annexes territory or consolidates
26 with another district, the board shall determine the composition of
27 the board in a manner that is equitable for the residents of the
28 district as provided by Chapter 36, Water Code. (Acts 70th Leg.,
29 R.S., Ch. 915, Sec. 8(c).)

30 Source Law

31 (c) In the event of annexation of territory or
32 consolidation with another district, the board of
33 directors of the district shall determine the
34 composition of the board in a manner that is equitable
35 for the residents of the district as provided by
36 Chapter 36, Water Code.

37 Revised Law

38 Sec. 8814.057. COMPENSATION; EXPENSES. (a) A director or
39 officer serves without compensation but may be reimbursed for
40 actual expenses incurred in the performance of official duties.

41 (b) The expenses described by Subsection (a) must be:

- 1 (1) reported in the district's records; and
2 (2) approved by the board. (Acts 70th Leg., R.S., Ch.
3 915, Sec. 15.)

4 Source Law

5 Sec. 15. Directors and officers serve without
6 compensation but may be reimbursed for actual expenses
7 incurred in the performance of official duties. Those
8 expenses must be reported in the district's minutes
9 book or district records and must be approved by the
10 board.

11 Revisor's Note

12 Section 15, Chapter 915, Acts of the 70th
13 Legislature, Regular Session, 1987, requires that
14 approved expenses be reported in the "district's
15 minutes book or district records." The revised law
16 omits the reference to the "district's minutes book"
17 because the district's minutes book is a district
18 record.

19 Revised Law

20 Sec. 8814.058. VOTE REQUIRED FOR OFFICIAL BOARD ACTION. An
21 official action of the board is not valid without the affirmative
22 vote of a majority of the directors. (Acts 70th Leg., R.S., Ch.
23 915, Sec. 17 (part).)

24 Source Law

25 Sec. 17. . . . official actions of the board are
26 not valid without the affirmative vote of a majority of
27 the members of the board.

28 Revisor's Note

29 Section 17, Chapter 915, Acts of the 70th
30 Legislature, Regular Session, 1987, provides that a
31 majority of the directors constitutes a quorum for the
32 transaction of district business. The revised law
33 omits the provision because it duplicates, in
34 substance, Section 36.053, Water Code. The omitted
35 law reads:

36 Sec. 17. A majority of the members of
37 the board constitute a quorum for the
38 transaction of business of the district,
39 but

1 Revised Law

2 Sec. 8814.059. OFFICERS. (a) After each directors'
3 election, the board shall:

4 (1) hold a regular meeting at the district office; and

5 (2) organize by electing from the directors a
6 president, a vice president, and a secretary.

7 (b) A person selected to serve as president, vice president,
8 or secretary serves in that capacity for a two-year term.

9 (c) The president, vice president, and secretary shall
10 perform the duties and may exercise the powers specifically
11 provided by this chapter or by order of the board. (Acts 70th Leg.,
12 R.S., Ch. 915, Secs. 16(a), (b), (d).)

13 Source Law

14 Sec. 16. (a) After each directors' election,
15 the board shall hold a regular meeting at the district
16 office and shall organize by electing from the members
17 of the board one person to serve as chairman, one
18 person to serve as vice-chairman, and one person to
19 serve as secretary.

20 (b) A person selected to serve as chairman,
21 vice-chairman, or secretary serves in that capacity
22 for a term of two years.

23 (d) The chairman, vice-chairman, and secretary
24 shall perform the duties and may exercise the powers
25 specifically given them by this Act or by orders of the
26 board.

27 Revisor's Note

28 (1) Section 16, Chapter 915, Acts of the 70th
29 Legislature, Regular Session, 1987, refers to the
30 "chairman" and "vice-chairman" of the board. The
31 revised law substitutes "president" for "chairman" and
32 "vice president" for "vice-chairman" to avoid the use
33 of a gender-based term and because those are the terms
34 used by Chapter 36, Water Code. In the context in
35 which the terms are used, the terms have the same
36 meaning.

37 (2) Section 16(c), Chapter 915, Acts of the 70th
38 Legislature, Regular Session, 1987, provides that the
39 chairman or, in his absence, the vice-chairman,
40 presides over board meetings. The revised law omits

1 the provision because it duplicates, in substance,
2 Section 36.054(c), Water Code. The omitted law reads:

3 (c) The chairman shall preside over
4 meetings of the board, and in his absence,
5 the vice-chairman shall preside.

6 Revised Law

7 Sec. 8814.060. GENERAL MANAGER; SERVICE OF PROCESS. (a)
8 The general manager shall execute a bond in the amount determined by
9 the board, payable to the district, and conditioned on the faithful
10 performance of the general manager's duties. The district shall
11 pay for the bond.

12 (b) The general manager is entitled to receive the
13 compensation provided by the district's budget.

14 (c) Service of process in a suit may be had by serving the
15 general manager. (Acts 70th Leg., R.S., Ch. 915, Secs. 19(b), (c),
16 27(a) (part).)

17 Source Law

18 [Sec. 19]

19 (b) The general manager shall execute a bond in
20 the amount determined by the board, payable to the
21 district, and conditioned on the faithful performance
22 of the general manager's duties. The district shall pay
23 for the bond.

24 (c) The general manager is entitled to receive
25 the compensation provided by the district's budget.

26 Sec. 27. (a) . . . Service of process in a suit
27 may be had by serving the general manager.

28 Revisor's Note

29 Section 19(a), Chapter 915, Acts of the 70th
30 Legislature, Regular Session, 1987, provides that the
31 board may employ a general manager and delegate to that
32 person authority to manage the district's affairs. The
33 revised law omits the provision because it duplicates,
34 in substance, Section 36.056(a), Water Code. The
35 omitted law reads:

36 Sec. 19. (a) The board may employ a
37 general manager to be the chief
38 administrative officer of the district and
39 may delegate to him full authority to manage
40 and operate the affairs of the district
41 subject only to orders of the board.

1 Revised Law

2 Sec. 8814.061. TREASURER AND ATTORNEY. (a) The board may
3 appoint a treasurer and an attorney for the district.

4 (b) The person appointed as treasurer shall execute a bond
5 in the amount determined by the board, payable to the district,
6 conditioned on the faithful performance of the treasurer's duties.
7 The district shall pay for the bond.

8 (c) A person appointed under this section is entitled to the
9 compensation provided by the district's budget. (Acts 70th Leg.,
10 R.S., Ch. 915, Sec. 18.)

11 Source Law

12 Sec. 18. (a) The board may appoint persons to
13 serve as treasurer and attorney for the district.

14 (b) The persons appointed under this section are
15 entitled to the compensation provided by the
16 district's budget.

17 (c) The person appointed as treasurer shall
18 execute a bond in the amount determined by the board,
19 payable to the district, conditioned on the faithful
20 performance of the treasurer's duties. The district
21 shall pay for the bond.

22 Revised Law

23 Sec. 8814.062. ENGINEER. The board may:

24 (1) appoint or contract with a competent professional
25 engineer for the district; and

26 (2) determine the amount of compensation to be paid to
27 the engineer. (Acts 70th Leg., R.S., Ch. 915, Sec. 20.)

28 Source Law

29 Sec. 20. The board may appoint or contract with
30 a competent professional engineer for the district and
31 may determine the amount of compensation to be paid to
32 the engineer.

33 Revised Law

34 Sec. 8814.063. PERSONNEL. (a) The general manager or the
35 board may:

36 (1) employ other persons necessary to properly handle
37 the district's business and operation; and

38 (2) employ or contract with expert and specialized
39 personnel who are necessary to carry out this chapter.

40 (b) The board shall determine the terms of employment and

1 the compensation to be paid to employees described by this section.

2 (c) The district shall pay for any bond that an employee of
3 or person under contract with the district is required to furnish
4 under Section 36.057(d), Water Code.

5 (d) The general manager or the board may dismiss an employee
6 of the district. (Acts 70th Leg., R.S., Ch. 915, Secs. 21(a), (b),
7 (c), (d) (part).)

8 Source Law

9 Sec. 21. (a) The general manager or the board
10 may employ other persons necessary for the proper
11 handling of the business and operation of the district
12 and may employ or contract with expert and specialized
13 personnel who are necessary to carry out this Act.

14 (b) The board shall determine the terms of
15 employment and the compensation to be paid to
16 employees under this section.

17 (c) The general manager or a majority of the
18 members of the board may dismiss an employee of the
19 district.

20 (d) . . . The district shall pay for each bond.

21 Revisor's Note

22 (1) Section 21(c), Chapter 915, Acts of the 70th
23 Legislature, Regular Session, 1987, provides that "a
24 majority of the members of" the board may dismiss an
25 employee of the district. The revised law omits the
26 quoted language as duplicative because Section 17,
27 Chapter 915, Acts of the 70th Legislature, Regular
28 Session, 1987 (revised in this chapter as Section
29 8814.058), provides that an official action of the
30 board is not valid without the affirmative vote of a
31 majority of the directors.

32 (2) Section 21(d), Chapter 915, Acts of the 70th
33 Legislature, Regular Session, 1987, requires certain
34 persons employed by or under contract with the
35 district to furnish a bond. The revised law omits the
36 provision because it duplicates, in substance, Section
37 36.057(d), Water Code. The omitted law reads:

38 (d) The board shall require each
39 employee or person under contract to the
40 district who collects, pays, or handles any
41 funds of the district to furnish a bond,
42 payable to the district, for an amount

1 sufficient to protect the district from
2 financial loss resulting from actions of
3 the employee or other person. Each bond
4 shall be conditioned on the faithful
5 performance of the employee's or person's
6 duties and on accounting for all money and
7 property of the district in his hands. . . .

8 (3) Section 21(d), Chapter 915, Acts of the 70th
9 Legislature, Regular Session, 1987, provides that the
10 district shall pay for "each bond," meaning a bond
11 required of an employee of, or a person under contract
12 with, the district who collects, pays, or handles any
13 funds of the district. For the convenience of the
14 reader, the revised law substitutes "any bond that an
15 employee of or person under contract with the district
16 is required to furnish under Section 36.057(d), Water
17 Code," for "each bond," because Section 36.057(d)
18 specifies the conditions under which a bond is
19 required.

20 Revised Law

21 Sec. 8814.064. DISTRICT OFFICE. The board shall maintain an
22 office in the district for conducting district business. (Acts
23 70th Leg., R.S., Ch. 915, Sec. 22.)

24 Source Law

25 Sec. 22. The board shall maintain an office
26 within the boundaries of the district for conducting
27 the business of the district.

28 Revised Law

29 Sec. 8814.065. MEETINGS. The board shall hold regular
30 meetings at the district office on a date established by the board.
31 (Acts 70th Leg., R.S., Ch. 915, Sec. 23.)

32 Source Law

33 Sec. 23. The board shall hold regular meetings
34 at the district's office on a date established by the
35 board.

36 Revised Law

37 Sec. 8814.066. RECORDS. The board shall keep a complete
38 written account of board meetings and other proceedings and shall
39 preserve the board's minutes, contracts, records, plans, notices,
40 accounts, receipts, and records in a secure manner at the

1 district's office. (Acts 70th Leg., R.S., Ch. 915, Sec. 24(a).)

2 Source Law

3 (a) The board shall keep a complete written
4 account of all its meetings and other proceedings and
5 shall preserve its minutes, contracts, records, plans,
6 notices, accounts, receipts, and records of all kinds
7 in a secure manner at the district's office.
8

9 Revisor's Note
10 (End of Subchapter)

11 (1) Section 5, Chapter 915, Acts of the 70th
12 Legislature, Regular Session, 1987, names the
13 temporary directors, provides for filling vacancies on
14 the temporary board, and requires the temporary
15 directors to select certain officers. Because the
16 terms of the temporary directors have expired, the
17 revised law omits those provisions as executed. The
18 omitted law reads:

19 Sec. 5. (a) On the effective date of
20 this Act, the following persons are
21 designated as temporary directors of the
22 district:

- 23 (1) Precinct 1-Clyde R. Foster
- 24 (2) Precinct 2-Darwin B.
25 Schrader
- 26 (3) Precinct 3-Frank S. Price
- 27 (4) Precinct 4-Ewing F.
28 McEntire, Jr.
- 29 (5) At large-William C. Humble

30 (b) If a vacancy occurs in the office
31 of temporary director, the remaining
32 temporary directors shall select a person
33 with the qualifications for that position
34 as provided by Section 9 of this Act to fill
35 the vacancy.

36 (c) The temporary board shall select
37 from their members persons to serve as
38 chairman, vice-chairman, and secretary.

39 (2) Section 7, Chapter 915, Acts of the 70th
40 Legislature, Regular Session, 1987, refers to
41 "temporary" directors of the district and to elections
42 under Section 6 of that chapter. The revised law omits
43 Section 7 as executed because the terms of the
44 temporary directors have expired and the initial
45 elections for permanent directors have been held. The
46 omitted law reads:

47 Sec. 7. (a) On approval of the

1 creation of the district under Section 6 of
2 this Act, the temporary directors become
3 the permanent directors of the district and
4 shall serve for terms as provided by
5 Subsection (b) of this section.

6 (b) The persons serving as directors
7 for Precincts 1 and 3 shall serve as
8 directors until the first regular meeting
9 of the board of directors following the
10 first regular directors' election. The
11 persons serving as directors for Precincts
12 2 and 4 and the director serving at large
13 shall serve until the first regular meeting
14 of the board of directors following the
15 second regular directors' election.

16 (3) Section 14, Chapter 915, Acts of the 70th
17 Legislature, Regular Session, 1987, requires each
18 director to take the constitutional oath of office.
19 The revised law omits that provision because Section
20 1, Article XVI, Texas Constitution, requires all
21 officers to take the oath (or affirmation) before
22 assuming office. The omitted law reads:

23 Sec. 14. Each director shall take the
24 constitutional oath of office required of
25 state officers.

26 (4) Section 24(b), Chapter 915, Acts of the 70th
27 Legislature, Regular Session, 1987, provides that
28 certain records are the property of the district and
29 are subject to public inspection. The revised law
30 omits the provision because it duplicates, in
31 substance, Section 36.065(b), Water Code. The omitted
32 law reads:

33 (b) Minutes, contracts, records,
34 plans, notices, accounts, receipts, and
35 other records are the property of the
36 district and are subject to public
37 inspection.

38 [Sections 8814.067-8814.100 reserved for expansion]

39 SUBCHAPTER C. POWERS AND DUTIES

40 Revised Law

41 Sec. 8814.101. GROUNDWATER CONSERVATION DISTRICT POWERS
42 AND DUTIES. Except to the extent of any conflict with this chapter
43 or as specifically limited by this chapter, the district may
44 exercise the powers granted by, and shall exercise the duties
45 provided by, Chapter 36, Water Code, to carry out the purpose of the

1 district and this chapter. (Acts 70th Leg., R.S., Ch. 915, Secs.
2 31(a), 46.)

3 Source Law

4 Sec. 31. (a) Except to the extent of any
5 conflict with this Act or as specifically limited by
6 this Act, the district may exercise the powers granted
7 and shall exercise the duties under Chapter 36, Water
8 Code, to carry out the purpose of the district and this
9 Act.

10 Sec. 46. The district may exercise the powers
11 and shall exercise the duties provided by Chapter 36,
12 Water Code.

13 Revised Law

14 Sec. 8814.102. RULES. (a) The board may adopt rules
15 necessary to carry out the purpose and powers under this chapter.

16 (b) In addition to the rules adopted under Subsection (a),
17 the board may adopt and enforce rules as provided by Chapter 36 and
18 Subchapters H and I, Chapter 49, Water Code. (Acts 70th Leg., R.S.,
19 Ch. 915, Secs. 30(a) (part), (b).)

20 Source Law

21 Sec. 30. (a) The board may adopt rules that are
22 necessary to carry out the purpose and powers under
23 this Act and

24 (b) In addition to the rules adopted under
25 Subsection (a) of this section, the board may adopt and
26 enforce rules as provided by Chapter 36 and
27 Subchapters H and I, Chapter 49, Water Code.

28 Revisor's Note

29 Section 30(a), Chapter 915, Acts of the 70th
30 Legislature, Regular Session, 1987, provides that the
31 district may enforce its rules in court. The revised
32 law omits the provision because it duplicates, in
33 substance, Section 36.102(a), Water Code. The omitted
34 law reads:

35 (a) [The board] . . . may enforce
36 those rules by injunction, mandatory
37 injunction, or other appropriate remedy in
38 a court of competent jurisdiction.

39 Revised Law

40 Sec. 8814.103. EMINENT DOMAIN. (a) The district may
41 exercise the power of eminent domain to acquire by condemnation a
42 fee simple or other interest in property in the district if the

1 property interest is necessary to the exercise of the authority
2 conferred by this chapter.

3 (b) The district must exercise the power of eminent domain
4 in the manner provided by Chapter 21, Property Code, but 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. (Acts 70th
7 Leg., R.S., Ch. 915, Secs. 42(a), (b).)

8 Source Law

9 Sec. 42. (a) The district may exercise the power of
10 eminent domain to acquire by condemnation a fee
11 simple or other interest in property located inside
12 the district if the property interest is necessary to
13 the exercise of the authority conferred by this
14 chapter.

15 (b) The district must exercise the power of
16 eminent domain in the manner provided by Chapter 21,
17 Property Code, but the district is not required to
18 deposit in the trial court money or a bond as provided
19 by Section 21.021(a), Property Code.

20 Revisor's Note

21 (1) Section 42(c), Chapter 915, Acts of the 70th
22 Legislature, Regular Session, 1987, provides that in a
23 condemnation proceeding brought by the district, the
24 district is not required to pay in advance or give bond
25 or other security in certain circumstances. The
26 revised law omits the provision because it duplicates
27 Section 36.105(d), Water Code. The omitted law reads:

28 (c) In a condemnation proceeding
29 brought by a district, the district is not
30 required to pay in advance or give bond or
31 other security for costs in the trial court,
32 to give bond for the issuance of a temporary
33 restraining order or a temporary
34 injunction, or to give bond for costs or
35 supersedeas on an appeal or writ of error.

36 (2) Section 42(d), Chapter 915, Acts of the 70th
37 Legislature, Regular Session, 1987, requires the
38 district to provide a comparable replacement if the
39 district relocates or alters certain property in
40 exercising the power of eminent domain. The revised
41 law omits the provision because it duplicates, in
42 substance, Section 36.105(e), Water Code. The omitted
43 law reads:

1 (d) In exercising the power of
2 eminent domain, if the district requires
3 relocating, raising, lowering, rerouting,
4 changing the grade, or altering the
5 construction of any railroad, highway,
6 pipeline, or telegraph, telephone, electric
7 transmission, or distribution lines,
8 conduits, poles, or facilities, the
9 district must bear the actual cost of
10 relocating, raising, lowering, rerouting,
11 changing the grade, or altering the
12 construction to provide comparable
13 replacement without enhancement of
14 facilities after deducting the net salvage
15 value derived from the old facility.

16 Revised Law

17 Sec. 8814.104. CERTAIN PERMIT DENIALS PROHIBITED. If the
18 district regulates production of groundwater by permit as
19 authorized by Chapter 36, Water Code, the board may not deny a
20 permit to drill a well to the owner of land, or the owner's heirs,
21 assigns, and lessees on that land, and the right to produce water
22 from that well under rules adopted by the district. (Acts 70th
23 Leg., R.S., Ch. 915, Sec. 32.)

24 Source Law

25 Sec. 32. If the district regulates production
26 of groundwater by permit as authorized by Chapter 36,
27 Water Code, the board may not deny a permit to drill a
28 well to the owner of land, his heirs, assigns, and
29 lessees on his land and the right to produce water from
30 that well under rules adopted by the district.

31 Revised Law

32 Sec. 8814.105. CONTROL, STORAGE, AND PRESERVATION OF STORM
33 AND FLOOD WATER. The district may control, store, and preserve the
34 storm and flood water in the district and the water of the rivers
35 and streams in the district for:

- 36 (1) irrigation of arid land;
37 (2) prevention of floods and flood damage in the
38 district; and
39 (3) domestic, agricultural, municipal, and industrial
40 uses. (Acts 70th Leg., R.S., Ch. 915, Sec. 36.)

41 Source Law

42 Sec. 36. The district may control, store, and
43 preserve the storm and flood water in the district and
44 the water of the rivers and streams in the district for
45 irrigation of arid land, prevention of floods and
46 flood damage in the district, and domestic,

1 agricultural, municipal, and industrial uses.

2 Revised Law

3 Sec. 8814.106. RECLAMATION. The district may:

4 (1) reclaim land in the district; and

5 (2) construct works, facilities, and improvements
6 necessary to accomplish that purpose. (Acts 70th Leg., R.S., Ch.
7 915, Sec. 37.)

8 Source Law

9 Sec. 37. The district may reclaim land within
10 the district and may construct necessary works,
11 facilities, and improvements to accomplish this
12 purpose.

13 Revised Law

14 Sec. 8814.107. SOIL CONSERVATION AND IMPROVEMENT. The
15 district may construct and maintain terraces or other structures on
16 land in the district and may engage in or promote land treatment
17 measures for soil conservation and improvement. (Acts 70th Leg.,
18 R.S., Ch. 915, Sec. 38.)

19 Source Law

20 Sec. 38. The district may construct and
21 maintain terraces and other structures on land in the
22 district and may engage in and promote land treatment
23 measures for soil conservation and improvement.

24 Revised Law

25 Sec. 8814.108. ACQUISITION OF PROPERTY. The district may
26 acquire land or other property necessary to carry out this chapter
27 by:

28 (1) gift;

29 (2) devise;

30 (3) lease;

31 (4) purchase; or

32 (5) condemnation. (Acts 70th Leg., R.S., Ch. 915,
33 Sec. 41.)

34 Source Law

35 Sec. 41. The district may acquire by gift,
36 devise, lease, purchase, or condemnation any land or
37 other property necessary to carry out this Act.

38 Revised Law

39 Sec. 8814.109. SALE AND DISPOSAL OF PROPERTY. Subject to

1 this chapter and Chapter 36 and Subchapters H and I, Chapter 49,
2 Water Code, the district may sell or otherwise dispose of land and
3 other property of the district that is not necessary to carry out
4 the purpose or powers of the district as determined by the board.
5 (Acts 70th Leg., R.S., Ch. 915, Sec. 43.)

6 Source Law

7 Sec. 43. Subject to this Act and Chapter 36 and
8 Subchapters H and I, Chapter 49, Water Code, the
9 district may sell or otherwise dispose of land and
10 other property of the district that is not necessary to
11 carry out the purpose or powers of the district as
12 determined by the board of directors.

13 Revised Law

14 Sec. 8814.110. IMPROVEMENTS AND FACILITIES. (a) The
15 district may construct or acquire and improve and maintain works,
16 facilities, and improvements necessary to carry out the purpose,
17 powers, and plans of the district.

18 (b) The district must construct and acquire works,
19 facilities, and improvements in the manner provided by Chapter 49,
20 Water Code. (Acts 70th Leg., R.S., Ch. 915, Sec. 39.)

21 Source Law

22 Sec. 39. (a) The district may construct or
23 acquire and improve and maintain works, facilities,
24 and improvements necessary to carry out the purpose,
25 powers, and plans of the district.

26 (b) The district shall construct and acquire
27 works, facilities, and improvements in the manner
28 provided by Chapter 49, Water Code.

29 Revised Law

30 Sec. 8814.111. INPUT WELLS. The district may drill, equip,
31 operate, and maintain input wells, pumps, and other facilities to
32 carry out its purpose and powers under this chapter. (Acts 70th
33 Leg., R.S., Ch. 915, Sec. 40.)

34 Source Law

35 Sec. 40. The district may drill, equip,
36 operate, and maintain input wells, pumps, and other
37 facilities to carry out its purpose and powers under
38 this Act.

39 Revised Law

40 Sec. 8814.112. APPEARANCE BEFORE RAILROAD COMMISSION. The
41 district, through the directors or the district's general manager,

1 may appear before the Railroad Commission of Texas and present
2 evidence and information relating to a pending permit application
3 for an injection well to be located in the district. (Acts 70th
4 Leg., R.S., Ch. 915, Sec. 44.)

5 Source Law

6 Sec. 44. The district through the members of its
7 board or its general manager may appear before the
8 Railroad Commission of Texas and present evidence and
9 information relating to any pending permit application
10 for an injection well to be located within the
11 district.

12 Revised Law

13 Sec. 8814.113. STUDIES AND SURVEYS. (a) The board may have
14 a professional engineer conduct studies and surveys of the
15 groundwater and surface water supplies in the district and the
16 facilities available for use in the conservation, preservation,
17 protection, recharge, and prevention of waste and pollution of
18 those water resources.

19 (b) A professional engineer may determine the quantities of
20 groundwater and surface water in the district. (Acts 70th Leg.,
21 R.S., Ch. 915, Sec. 33.)

22 Source Law

23 Sec. 33. The board may have professional
24 engineers make studies and surveys of the groundwater
25 and surface water supplies within the district and the
26 facilities available for use in the conservation,
27 preservation, protection, recharge, and prevention of
28 waste and pollution of those water resources. The
29 professional engineers also may determine the
30 quantities of both groundwater and surface water in
31 the district.

32 Revised Law

33 Sec. 8814.114. RESEARCH; INFORMATION. The district may
34 engage in research projects and shall develop information to be
35 used by the district in preparing and implementing the district's
36 plans and in carrying out the district's powers and duties under
37 this chapter. (Acts 70th Leg., R.S., Ch. 915, Sec. 35.)

38 Source Law

39 Sec. 35. The district may engage in research
40 projects and shall develop information to be used by
41 the district in preparing and implementing its plans
42 and in carrying out its powers and duties under this
43 Act.

1 Revised Law

2 Sec. 8814.115. DISTRICT PLANS. (a) The district shall
3 develop and implement comprehensive plans for the conservation,
4 preservation, protection, recharge, and prevention of waste and
5 pollution of groundwater and surface water in the district.

6 (b) The plans must include all works, facilities, and
7 improvements necessary to implement the plans and the
8 specifications for those works, facilities, and improvements.

9 (Acts 70th Leg., R.S., Ch. 915, Sec. 34.)

10 Source Law

11 Sec. 34. The district shall develop and
12 implement comprehensive plans for the conservation,
13 preservation, protection, recharge, and prevention of
14 waste and pollution of groundwater and surface water
15 within the district. The plans shall include all
16 works, facilities, and improvements necessary to
17 implement the plans and the specifications for those
18 works, facilities, and improvements.

19 Revised Law

20 Sec. 8814.116. PAYMENT OF JUDGMENTS. A court of this state
21 that renders a money judgment against the district may require the
22 board to pay the judgment from money in the district depository that
23 is not dedicated to the payment of any indebtedness of the district.

24 (Acts 70th Leg., R.S., Ch. 915, Sec. 27(c).)

25 Source Law

26 (c) A court of this state that renders a money
27 judgment against the district may require the board to
28 pay the judgment from money in the district depository
29 that is not dedicated to the payment of any
30 indebtedness of the district.

31 Revisor's Note

32 (End of Subchapter)

33 (1) Section 25, Chapter 915, Acts of the 70th
34 Legislature, Regular Session, 1987, provides that the
35 board may enter into contracts as provided by Chapter
36 36, Water Code, and that contracts shall be executed in
37 the name of the district. The revised law omits that
38 provision because Section 36.067, Water Code, which
39 addresses contracts, applies to the district under
40 Section 8814.101 and on its own terms, and Section

1 36.067(a), Water Code, specifies that the district
2 shall enter into contracts in the name of the district.

3 The omitted law reads:

4 Sec. 25. The board may enter into
5 contracts as provided by Chapter 36, Water
6 Code, and those contracts shall be executed
7 by the board in the name of the district.

8 (2) Section 48, Chapter 915, Acts of the 70th
9 Legislature, Regular Session, 1987, provides that the
10 district may issue bonds and impose a tax as provided
11 by Chapter 36, Water Code. The revised law omits that
12 provision because Sections 31(a) and 46 of the act
13 (revised in this chapter as Section 8814.101) provide
14 that the district may exercise the powers granted by,
15 and shall exercise the duties provided by, Chapter 36,
16 Water Code. The provisions applicable to the district
17 under Section 8814.101 include any tax and bond
18 provisions of Chapter 36, Water Code. The omitted law
19 reads:

20 Sec. 48. The district may issue and
21 sell bonds and notes and may levy and
22 collect taxes as provided by Chapter 36,
23 Water Code.

24 Revisor's Note
25 (End of Chapter)

26 (1) Section 27, Chapter 915, Acts of the 70th
27 Legislature, Regular Session, 1987, provides that the
28 district may sue and be sued in the name of the
29 district and requires a court to take judicial notice
30 of the district. The revised law omits those
31 provisions because they duplicate, in substance,
32 Section 36.066(a), Water Code. The omitted law reads:

33 Sec. 27. (a) The district may,
34 through its board, sue and be sued in any
35 court of this state in the name of the
36 district. . . .
37 (b) The courts of this state shall
38 take judicial notice of the creation of the
39 district.

40 (2) Section 22, Chapter 759, Acts of the 78th
41 Legislature, Regular Session, 2003, validates certain

1 actions of the district taken before June 20, 2003.
2 That section is omitted from the revised law because it
3 served its purpose on the day it took effect and is
4 executed law. Section 311.031(a)(2), Government Code
5 (Code Construction Act), provides that the repeal of a
6 statute does not affect any validation previously made
7 under the statute. Therefore, the omission of the
8 executed validation provision does not affect the
9 validation. The omitted law reads:

10 Sec. 22. (a) The following actions of
11 the Sterling County Underground Water
12 Conservation District are validated and
13 confirmed as if the actions had been done as
14 authorized by law:

15 (1) all acts and governmental
16 proceedings of the district before the
17 effective date of this Act;

18 (2) the election or appointment
19 of directors or other officials of the
20 district who took office before the
21 effective date of this Act; and

22 (3) any bond or other
23 obligation of a district authorized before
24 the effective date of this Act, including
25 any proceeding taken before the effective
26 date of this Act that is related to that
27 bond or other obligation, regardless of
28 whether the bond or obligation is:

29 (A) payable from tax
30 revenue or otherwise; or

31 (B) issued on or before
32 the effective date of this Act.

33 (b) This Act does not apply to:

34 (1) an act or proceeding that
35 was void at the time it occurred;

36 (2) an act or proceeding that,
37 under a statute of this state or the United
38 States, was a misdemeanor or felony at the
39 time the act or proceeding occurred;

40 (3) a rule that, at the time it
41 was passed, was preempted by a statute of
42 this state or the United States; or

43 (4) a matter that on the
44 effective date of this Act:

45 (A) is involved in
46 litigation if the litigation ultimately
47 results in the matter being held invalid by
48 a final judgment of a court; or

49 (B) has been held invalid
50 by a final judgment of a court.

51 CHAPTER 8816. CULBERSON COUNTY GROUNDWATER CONSERVATION DISTRICT

52 SUBCHAPTER A. GENERAL PROVISIONS

53 Sec. 8816.001. DEFINITIONS 2043

54 Sec. 8816.002. NATURE OF DISTRICT 2043

1 Sec. 8816.003. FINDINGS OF PUBLIC USE AND BENEFIT 2044

2 Sec. 8816.004. DISTRICT TERRITORY 2045

3 Sec. 8816.005. CONFLICTS OF LAW 2045

4 [Sections 8816.006-8816.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Sec. 8816.051. COMPOSITION OF BOARD; TERMS 2047

7 Sec. 8816.052. ELECTION DATE 2049

8 [Sections 8816.053-8816.100 reserved for expansion]

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8816.101. GROUNDWATER CONSERVATION DISTRICT

11 POWERS AND DUTIES 2051

12 Sec. 8816.102. CONTRACT FOR AND SALE AND DISTRIBUTION

13 OF WATER 2051

14 CHAPTER 8816. CULBERSON COUNTY GROUNDWATER CONSERVATION DISTRICT

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Revised Law

17 Sec. 8816.001. DEFINITIONS. In this chapter:

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

19 (2) "Director" means a board member.

20 (3) "District" means the Culberson County Groundwater

21 Conservation District. (Acts 75th Leg., R.S., Ch. 1075, Sec. 2;

22 New.)

23 Source Law

24 Sec. 2. In this Act, "district" means the

25 Culberson County Groundwater Conservation District.

26 Revisor's Note

27 The definitions of "board" and "director" are

28 added to the revised law for drafting convenience and

29 to eliminate frequent, unnecessary repetition of the

30 substance of the definitions.

31 Revised Law

32 Sec. 8816.002. NATURE OF DISTRICT. The district is a

33 groundwater conservation district in Culberson County created

34 under and essential to accomplish the purposes of Section 59,

35 Article XVI, Texas Constitution. (Acts 75th Leg., R.S., Ch. 1075,

1 Secs. 1(a) (part), (b).)

2 Source Law

3 Sec. 1. (a) A groundwater conservation
4 district, to be known as the Culberson County
5 Groundwater Conservation District, is created in
6 Culberson County,

7 (b) The district is created under and is
8 essential to accomplish the purposes of Section 59,
9 Article XVI, Texas Constitution.

10 Revisor's Note

11 (1) Section 1(a), Chapter 1075, Acts of the 75th
12 Legislature, Regular Session, 1997, refers to a
13 confirmation election. Because the confirmation
14 election has already been held, the revised law omits
15 the provision as executed. The omitted law reads:

16 (a) . . . subject to approval at a
17 confirmation election under Section 8 of
18 this Act. . . .

19 (2) Section 1(a), Chapter 1075, Acts of the 75th
20 Legislature, Regular Session, 1997, provides that the
21 district is a governmental agency and a body politic
22 and corporate. The revised law omits the provision
23 because it duplicates a portion of Section 59(b),
24 Article XVI, Texas Constitution, which provides that a
25 conservation and reclamation district is a
26 governmental agency and a body politic and corporate.
27 The omitted law reads:

28 (a) . . . The district is a
29 governmental agency and a body politic and
30 corporate.

31 Revised Law

32 Sec. 8816.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
33 district is created to serve a public use and benefit.

34 (b) All land and other property included in the district
35 will benefit from the works and projects accomplished by the
36 district under the powers conferred by Section 59, Article XVI,
37 Texas Constitution. (Acts 75th Leg., R.S., Ch. 1075, Sec. 4.)

38 Source Law

39 Sec. 4. All of the land and other property
40 included within the boundaries of the district will be

1 benefited by the works and projects that are to be
2 accomplished by the district under powers conferred by
3 Section 59, Article XVI, Texas Constitution. The
4 district is created to serve a public use and benefit.

5 Revised Law

6 Sec. 8816.004. DISTRICT TERRITORY. The district is
7 composed of the territory described by Section 3, Chapter 1075,
8 Acts of the 75th Legislature, Regular Session, 1997, as that
9 territory may have been modified under:

10 (1) Subchapter J, Chapter 36, Water Code; or

11 (2) other law. (New.)

12 Revisor's Note

13 The revision of the law governing the district
14 does not revise the statutory language describing the
15 territory of the district to avoid the lengthy
16 recitation of the description. Additionally, because
17 the district's boundaries are subject to change, that
18 description may not be accurate on the effective date
19 of the revision or at the time of a later reading. For
20 the reader's convenience, the revised law includes a
21 reference to the statutory description of the
22 district's territory and to the authority to change the
23 district's territory under Subchapter J, Chapter 36,
24 Water Code, applicable to groundwater conservation
25 districts. The revised law also includes a reference
26 to the general authority of the legislature to enact
27 other laws to change the district's territory.

28 Revised Law

29 Sec. 8816.005. CONFLICTS OF LAW. (a) Except as otherwise
30 provided by this chapter, if there is a conflict between this
31 chapter and Chapter 36 or 49, Water Code, this chapter controls.

32 (b) If there is a conflict between Chapters 36 and 49, Water
33 Code, Chapter 36 controls. (Acts 75th Leg., R.S., Ch. 1075, Sec.
34 11.)

35 Source Law

36 Sec. 11. Except as otherwise provided by this
37 Act, if there is a conflict between this Act and

1 Chapter 36 or 49, Water Code, this Act controls. If
2 there is a conflict between Chapters 36 and 49, Water
3 Code, Chapter 36 controls.

4 Revisor's Note
5 (End of Subchapter)

6 (1) Section 5(a), Chapter 1075, Acts of the 75th
7 Legislature, Regular Session, 1997, provides that the
8 act prevails over general law in case of a conflict or
9 other inconsistency. The revised law omits the
10 provision because it duplicates, in substance, Section
11 311.026, Government Code (Code Construction Act). The
12 omitted law reads:

13 (a) . . . This Act prevails over any
14 provision of general law that is in conflict
15 or inconsistent with this Act.

16 (2) Section 5(c), Chapter 1075, Acts of the 75th
17 Legislature, Regular Session, 1997, provides that
18 certain provisions of Chapter 36, Water Code, prevail
19 over a conflicting or inconsistent provision of the
20 act. Chapter 36, Water Code, applies to the district
21 under Section 8816.101 of this chapter and Section
22 36.001(1), Water Code. The revised law omits Section
23 5(c) because it duplicates Section 36.052(b), Water
24 Code, which provides that the same provisions of the
25 Water Code provided for under Section 5(c) prevail
26 over a conflicting or inconsistent provision of a
27 special law that governs a specific district. The
28 omitted law reads:

29 (c) Notwithstanding Subsection (a)
30 of this section, the following provisions
31 prevail over a conflicting or inconsistent
32 provision in this Act:

33 (1) Sections 36.107 through
34 36.108, Water Code;

35 (2) Sections 36.159 through
36 36.161, Water Code; and

37 (3) Subchapter I, Chapter 36,
38 Water Code.

39 (3) Section 8, Chapter 1075, Acts of the 75th
40 Legislature, Regular Session, 1997, provides
41 procedures for holding an election to confirm the
42 district's creation and to elect the district's initial

1 board. Because the district has been confirmed and its
2 initial directors have been elected, the revised law
3 omits those provisions as executed. The omitted law
4 reads:

5 Sec. 8. (a) Not later than 30 days
6 after the effective date of this Act, the
7 temporary board of directors shall call and
8 hold an election to confirm the
9 establishment of the district and to elect
10 five initial directors.

11 (b) A person who desires to be a
12 candidate for the office of initial
13 director may file an application with the
14 temporary board to have the candidate's name
15 printed on the ballot.

16 (c) At the confirmation and initial
17 directors' election, the temporary board of
18 directors shall have the names of the five
19 persons serving as temporary directors
20 placed on the ballot together with the name
21 of any candidate filing for the office of
22 director as provided by Subsection (b) of
23 this section and blank spaces to write in
24 the names of other persons. If the district
25 is created at the election, the temporary
26 board of directors, at the time the vote is
27 canvassed, shall declare the five persons
28 who receive the most votes to be elected as
29 the initial directors and shall include the
30 results of the directors' election in its
31 election report to the Texas Natural
32 Resource Conservation Commission.

33 (d) The propositions to be voted may
34 include, in addition to confirmation of the
35 district and election of directors, any
36 proposition authorized by the temporary
37 board of directors.

38 (e) Subsection (a), Section 41.001,
39 Election Code, does not apply to a
40 confirmation and initial directors'
41 election held as provided by this section.

42 (f) Except as provided by this
43 section, a confirmation and initial
44 directors' election must be conducted as
45 provided by Subsections (b) through (h),
46 Section 36.017, Water Code, and the
47 Election Code.

48 [Sections 8816.006-8816.050 reserved for expansion]

49 SUBCHAPTER B. BOARD OF DIRECTORS

50 Revised Law

51 Sec. 8816.051. COMPOSITION OF BOARD; TERMS. (a) The
52 district is governed by a board of five directors.

53 (b) Directors serve staggered four-year terms. (Acts 75th
54 Leg., R.S., Ch. 1075, Secs. 6(a), (d).)

1 Section 17, Article XVI, Texas Constitution, which
2 provides that an officer in this state continues to
3 perform the officer's official duties until a
4 successor has qualified. The omitted law reads:

5 (f) A director serves until the
6 director's successor has qualified.

7 Revised Law

8 Sec. 8816.052. ELECTION DATE. Every two years on the
9 uniform election date in May, the appropriate number of directors
10 shall be elected to the board. (Acts 75th Leg., R.S., Ch. 1075,
11 Sec. 9(b).)

12 Source Law

13 (b) Thereafter, on the first uniform election
14 day in May of each subsequent second year, the
15 appropriate number of directors shall be elected to
16 the board.

17 Revisor's Note

18 (1) Section 9(a), Chapter 1075, Acts of the 75th
19 Legislature, Regular Session, 1997, prescribes the
20 election date for the first directors' election
21 following the confirmation election. Because the
22 district has been confirmed and its first permanent
23 directors elected, the revised law omits that
24 provision as executed. The omitted law reads:

25 Sec. 9. (a) On the first uniform
26 election day in May of the first year after
27 the year in which the district is authorized
28 to be created at a confirmation election, an
29 election shall be held in the district for
30 the election of two directors who shall each
31 serve two-year terms and three directors
32 who shall each serve four-year terms. The
33 three directors receiving the most votes
34 shall serve the four-year terms and the
35 other two directors who are elected shall
36 serve the two-year terms.

37 (2) Section 9(b), Chapter 1075, Acts of the 75th
38 Legislature, Regular Session, 1997, requires
39 directors' elections to be held on the "first uniform
40 election day in May." The revised law omits the
41 reference to the "first" uniform election day in May
42 because Section 41.001, Election Code, provides for

1 only one uniform election date in that month. The
2 revised law substitutes "date" for "day" to conform to
3 the terminology of Section 41.001, Election Code.

4 Revisor's Note
5 (End of Subchapter)

6 (1) Sections 6(b) and (c), Chapter 1075, Acts of
7 the 75th Legislature, Regular Session, 1997, refer to
8 "temporary" and "initial" directors of the district
9 and to elections under Sections 8 and 9 of that
10 chapter. The revised law omits Sections 6(b) and (c)
11 as executed because the terms of the temporary and
12 initial directors have expired and the initial
13 election for directors has been held. The omitted law
14 reads:

15 (b) Temporary directors serve until
16 initial directors are elected under Section
17 8 of this Act.

18 (c) Initial directors serve until
19 permanent directors are elected under
20 Section 9 of this Act.

21 (2) Section 7, Chapter 1075, Acts of the 75th
22 Legislature, Regular Session, 1997, provides for the
23 appointment of "temporary" directors and for the
24 filling of vacancies on the temporary board. Because
25 the temporary directors were appointed and the terms
26 of the temporary directors have expired, the revised
27 law omits those provisions as executed. The omitted
28 law reads:

29 Sec. 7. (a) The Commissioners Court
30 of Culberson County shall appoint five
31 temporary directors.

32 (b) If a temporary director fails to
33 qualify for office, the temporary directors
34 who have qualified shall appoint a person to
35 fill the vacancy. If at any time there are
36 fewer than three qualified temporary
37 directors, the Commissioners Court of
38 Culberson County shall appoint the
39 necessary number of persons to fill all
40 vacancies on the board.

41 [Sections 8816.053-8816.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 8816.101. GROUNDWATER CONSERVATION DISTRICT POWERS
4 AND DUTIES. The district has the rights, powers, privileges,
5 functions, and duties provided by the general law of this state,
6 including Chapters 36 and 49, Water Code, applicable to groundwater
7 conservation districts created under Section 59, Article XVI, Texas
8 Constitution. (Acts 75th Leg., R.S., Ch. 1075, Sec. 5(a) (part).)

9 Source Law

10 Sec. 5. (a) The district has all the rights,
11 powers, privileges, authority, functions, and duties
12 provided by the general law of this state, including
13 Chapters 36 and 49, Water Code, applicable to
14 groundwater conservation districts created under
15 Section 59, Article XVI, Texas Constitution. . . .

16 Revisor's Note

17 Section 5(a), Chapter 1075, Acts of the 75th
18 Legislature, Regular Session, 1997, refers to the
19 "rights, powers, privileges, [and] authority" of the
20 district. The revised law omits the reference to
21 "authority" because, in context, "authority" is
22 included in the meaning of "rights, powers, [and]
23 privileges."

24 Revised Law

25 Sec. 8816.102. CONTRACT FOR AND SALE AND DISTRIBUTION OF
26 WATER. The district may contract for, sell, and distribute water
27 from a water import authority or other entity. (Acts 75th Leg.,
28 R.S., Ch. 1075, Sec. 10.)

29 Source Law

30 Sec. 10. The district may contract for, sell,
31 and distribute water from a water import authority or
32 other entity.

33 Revisor's Note
34 (End of Subchapter)

35 Section 5(b), Chapter 1075, Acts of the 75th
36 Legislature, Regular Session, 1997, refers to the
37 continuing supervision exercised by the "Texas Natural
38 Resource Conservation Commission." The revised law

1 omits the provision because the Texas Commission on
2 Environmental Quality is the successor to the Texas
3 Natural Resource Conservation Commission and
4 therefore the provision duplicates, in substance, part
5 of Section 12.081, Water Code, which is a general law
6 that applies to the district. The name of the Texas
7 Natural Resource Conservation Commission was changed
8 to the Texas Commission on Environmental Quality by
9 Section 18.01, Chapter 965, Acts of the 77th
10 Legislature, Regular Session, 2001. The omitted law
11 reads:

12 (b) The rights, powers, privileges,
13 authority, functions, and duties of the
14 district are subject to the continuing
15 right of supervision of the state, to be
16 exercised by and through the Texas Natural
17 Resource Conservation Commission.

18 Revisor's Note
19 (End of Chapter)

20 Section 12, Chapter 1075, Acts of the 75th
21 Legislature, Regular Session, 1997, recites
22 legislative findings regarding procedural
23 requirements for legislation affecting the district
24 under the constitution and other laws and rules,
25 including proper legal notice and the filing of
26 recommendations. The revised law omits those
27 provisions as executed. The omitted law reads:

28 Sec. 12. (a) The proper and legal
29 notice of the intention to introduce this
30 Act, setting forth the general substance of
31 this Act, has been published as provided by
32 law, and the notice and a copy of this Act
33 have been furnished to all persons,
34 agencies, officials, or entities to which
35 they are required to be furnished by the
36 constitution and other laws of this state,
37 including the governor, who has submitted
38 the notice and Act to the Texas Natural
39 Resource Conservation Commission.

40 (b) The Texas Natural Resource
41 Conservation Commission has filed its
42 recommendations relating to this Act with
43 the governor, lieutenant governor, and
44 speaker of the house of representatives
45 within the required time.

46 (c) All requirements of the
47 constitution and laws of this state and the

1 rules and procedures of the legislature
2 with respect to the notice, introduction,
3 and passage of this Act are fulfilled and
4 accomplished.

5 CHAPTER 8825. BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 8825.001. DEFINITIONS 2053
8 Sec. 8825.002. NATURE OF DISTRICT 2054
9 Sec. 8825.003. FINDINGS OF PUBLIC USE AND BENEFIT 2055
10 Sec. 8825.004. DISTRICT TERRITORY 2055

11 [Sections 8825.005-8825.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

13 Sec. 8825.051. COMPOSITION OF BOARD 2058
14 Sec. 8825.052. TERMS 2059
15 Sec. 8825.053. APPOINTMENT OF DIRECTORS 2059
16 Sec. 8825.054. BOARD VACANCY 2062
17 Sec. 8825.055. COMPENSATION; EXPENSES 2062
18 Sec. 8825.056. VOTE REQUIRED FOR BOARD ACTION 2063

19 [Sections 8825.057-8825.100 reserved for expansion]

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 8825.101. GROUNDWATER CONSERVATION DISTRICT
22 POWERS AND DUTIES 2064
23 Sec. 8825.102. LIMITATIONS ON DISTRICT POWERS 2064
24 Sec. 8825.103. REGISTRATION, EQUIPMENT, AND
25 MAINTENANCE OF EXEMPTED WELLS;
26 APPLICABILITY OF FEES 2065
27 Sec. 8825.104. CERTAIN PERMIT DENIALS PROHIBITED 2066
28 Sec. 8825.105. PERMIT FEES 2066
29 Sec. 8825.106. ADDITIONAL FEE; SURCHARGE 2067
30 Sec. 8825.107. ANNUAL ASSESSMENT AND USE OF FEES 2067
31 Sec. 8825.108. MITIGATION ASSISTANCE 2068
32 Sec. 8825.109. COORDINATION WITH OTHER ENTITIES 2068

33 CHAPTER 8825. BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

34 SUBCHAPTER A. GENERAL PROVISIONS

35 Revised Law

36 Sec. 8825.001. DEFINITIONS. In this chapter:

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

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

3 (3) "District" means the Bluebonnet Groundwater
4 Conservation District. (Acts 77th Leg., R.S., Ch. 1361, Sec. 2;
5 New.)

6 Source Law

7 Sec. 2. In this Act, "district" means the
8 Bluebonnet Groundwater Conservation District.

9 Revisor's Note

10 The definitions of "board" and "director" are
11 added to the revised law for drafting convenience and
12 to eliminate frequent, unnecessary repetition of the
13 substance of the definitions.

14 Revised Law

15 Sec. 8825.002. NATURE OF DISTRICT. (a) The district is a
16 groundwater conservation district created under and essential to
17 accomplish the purposes of Section 59, Article XVI, Texas
18 Constitution.

19 (b) The purpose of this chapter is to create a locally
20 controlled district to:

21 (1) protect and recharge groundwater;

22 (2) prevent pollution or waste of groundwater;

23 (3) control subsidence caused by withdrawal of water
24 from the groundwater reservoirs in the area; and

25 (4) regulate the transport of water out of the
26 district. (Acts 77th Leg., R.S., Ch. 1361, Secs. 1(a) (part), (b),
27 (c).)

28 Source Law

29 Sec. 1. (a) A groundwater conservation
30 district, to be known as the Bluebonnet Groundwater
31 Conservation District,

32 (b) The district is created under and is
33 essential to accomplish the purposes of Section 59,
34 Article XVI, Texas Constitution.

35 (c) The purpose of this Act is to create a
36 locally controlled groundwater district in order to
37 protect and recharge groundwater, to prevent pollution
38 or waste of groundwater, to control subsidence caused
39 by withdrawal of water from the groundwater reservoirs
40 in the area, and to regulate the transport of water out
41 of the boundaries of the district.

1 Revisor's Note

2 Section 1(a), Chapter 1361, Acts of the 77th
3 Legislature, Regular Session, 2001, provides that the
4 district is a governmental agency and a body politic
5 and corporate. The revised law omits the provision
6 because it duplicates a portion of Section 59(b),
7 Article XVI, Texas Constitution, which provides that a
8 conservation and reclamation district is a
9 governmental agency and a body politic and corporate.
10 The omitted law reads:

11 (a) . . . The district is a
12 governmental agency and a body politic and
13 corporate.

14 Revised Law

15 Sec. 8825.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
16 district is created to serve a public use and benefit.

17 (b) All land and other property included in the district
18 will benefit from the works and projects accomplished by the
19 district under the powers conferred by Section 59, Article XVI,
20 Texas Constitution. (Acts 77th Leg., R.S., Ch. 1361, Sec. 4.)

21 Source Law

22 Sec. 4. All of the land and other property
23 included within the boundaries of the district will be
24 benefited by the works and projects that are to be
25 accomplished by the district under powers conferred by
26 Section 59, Article XVI, Texas Constitution. The
27 district is created to serve a public use and benefit.

28 Revised Law

29 Sec. 8825.004. DISTRICT TERRITORY. The district's
30 boundaries are coextensive with the boundaries of Austin, Grimes,
31 Walker, and Waller Counties, unless the district's territory has
32 been modified under:

- 33 (1) Subchapter J, Chapter 36, Water Code; or
34 (2) other law. (Acts 77th Leg., R.S., Ch. 1361, Secs.
35 1(a) (part), 3; New.)

36 Source Law

37 Sec. 1. (a) . . . [the Bluebonnet Groundwater
38 Conservation District,] is created in Grimes,
39 Washington, Waller, Austin, and Walker counties,

1 subject to approval at a confirmation election under
2 Section 15 of this Act. . . .

3 Sec. 3. The boundaries of the district are
4 coextensive with the boundaries of Grimes, Washington,
5 Waller, Austin, and Walker counties.

6 Revisor's Note

7 (1) Section 1(a), Chapter 1361, Acts of the 77th
8 Legislature, Regular Session, 2001, provides that the
9 district is created in Grimes, Washington, Waller,
10 Austin, and Walker Counties, subject to approval at a
11 confirmation election under Section 15 of that
12 chapter. Section 3 of Chapter 1361 provides that the
13 district's boundaries are coextensive with the
14 boundaries of Grimes, Washington, Waller, Austin, and
15 Walker Counties. In November 2002, the district was
16 confirmed at an election by the voters of Austin,
17 Grimes, and Walker Counties but was not confirmed by
18 the voters of Waller or Washington County. Under
19 Section 15(c) of Chapter 1361, any county that did not
20 confirm the district's creation is excluded from the
21 district. However, in July 2007, after receipt of a
22 petition from the Waller County Commissioners Court
23 requesting the inclusion of Waller County in the
24 district, the board of directors of the district by
25 resolution ordered that Waller County be added to the
26 district, subject to ratification by a majority vote
27 of the voters of Waller County. In November 2007, a
28 special election was held for that purpose in Waller
29 County at which a majority of the votes cast favored
30 inclusion of Waller County in the district. The
31 revised law omits the reference in Section 1(a) of
32 Chapter 1361 to the confirmation election as executed
33 and omits the references in Sections 1(a) and 3 of that
34 chapter to Washington County to reflect the outcome of
35 the confirmation election in that county.

36 (2) The revision of the law governing the

1 district revises the statutory language describing the
2 territory of the district, subject to Revisor's Note
3 (1) to this section. Because the district's boundaries
4 are subject to change, that description may not be
5 accurate on the effective date of the revision or at
6 the time of a later reading. For the reader's
7 convenience, the revised law includes a reference to
8 the authority to change the district's territory under
9 Subchapter J, Chapter 36, Water Code, applicable to
10 groundwater conservation districts, and to the general
11 authority of the legislature to enact other laws to
12 change the district's territory.

13 Revisor's Note
14 (End of Subchapter)

15 (1) Section 5(a), Chapter 1361, Acts of the 77th
16 Legislature, Regular Session, 2001, provides that the
17 act prevails over general law, including Chapter 36,
18 Water Code, in case of a conflict or other
19 inconsistency. The revised law omits that provision
20 because it duplicates, in substance, Section 311.026,
21 Government Code (Code Construction Act), and it
22 duplicates part of Section 36.052(a), Water Code,
23 which provides that a "special law governing a
24 specific district" prevails over Chapter 36. The
25 omitted law reads:

26 (a) . . . This Act prevails over any
27 provision of general law, including Chapter
28 36, Water Code, that is in conflict or is
29 inconsistent with this Act.

30 (2) Section 15, Chapter 1361, Acts of the 77th
31 Legislature, Regular Session, 2001, provides
32 procedures for holding an election in each county to be
33 included in the district to confirm the district's
34 creation. Because the district has been confirmed,
35 the revised law omits those provisions as executed.
36 The omitted law reads:

1 Sec. 15. (a) The initial board of
2 directors shall call and hold, on the same
3 date in each county to be included in the
4 district, an election to confirm the
5 creation of the district.

6 (b) Except as provided by this
7 section, a confirmation election must be
8 conducted as provided by Sections 36.017,
9 36.018, and 36.019, Water Code, and Section
10 41.001, Election Code.

11 (c) If the majority of qualified
12 voters in a county who vote in the election
13 vote to confirm the creation of the
14 district, that county is included in the
15 district. If the majority of qualified
16 voters in a county who vote in the election
17 vote not to confirm the creation of the
18 district, that county is excluded from the
19 district.

20 (d) If the creation of the district
21 is not confirmed by an election held under
22 this section before the second anniversary
23 of the effective date of this Act, the
24 district is dissolved and this Act expires
25 on that date.

26 [Sections 8825.005-8825.050 reserved for expansion]

27 SUBCHAPTER B. BOARD OF DIRECTORS

28 Revised Law

29 Sec. 8825.051. COMPOSITION OF BOARD. The district is
30 governed by a board of not fewer than 8 or more than 20 directors
31 appointed as provided by Section 8825.053. (Acts 77th Leg., R.S.,
32 Ch. 1361, Sec. 12(a).)

33 Source Law

34 Sec. 12. (a) The district is governed by a
35 board of directors of not fewer than 8 or more than 20
36 directors, appointed as provided by Section 13 of this
37 Act.

38 Revisor's Note

39 Section 12(d), Chapter 1361, Acts of the 77th
40 Legislature, Regular Session, 2001, provides that a
41 director must qualify to serve in the manner provided
42 by Section 36.055, Water Code. The revised law omits
43 the provision because Section 36.055, Water Code,
44 applies to the district under Section 8825.101 of this
45 chapter and Section 36.001(1), Water Code. The
46 omitted law reads:

47 (d) Each director must qualify to
48 serve as a director in the manner provided
49 by Section 36.055, Water Code.

1 Revised Law

2 Sec. 8825.052. TERMS. (a) Directors serve staggered
3 four-year terms.

4 (b) A director may serve consecutive terms. (Acts 77th
5 Leg., R.S., Ch. 1361, Secs. 12(c), (f).)

6 Source Law

7 (c) Permanent directors serve four-year
8 staggered terms.

9 (f) A director may serve consecutive terms.

10 Revisor's Note

11 (1) Section 12(c), Chapter 1361, Acts of the
12 77th Legislature, Regular Session, 2001, refers to
13 "[p]ermanent" directors. Sections 12 and 13 of
14 Chapter 1361 refer to "initial" and "permanent"
15 directors to distinguish between the "initial"
16 directors appointed by the appropriate commissioners
17 courts and subsequently serving directors. Because
18 the revised law omits provisions regarding "initial"
19 directors as executed (see Revisor's Notes (1) and (2)
20 at the end of this subchapter), the revised law also
21 omits "permanent" because it does not contribute to
22 the clear meaning of the law.

23 (2) Section 12(e), Chapter 1361, Acts of the
24 77th Legislature, Regular Session, 2001, provides that
25 a director serves until a successor has qualified. The
26 revised law omits the provision because it duplicates
27 Section 17, Article XVI, Texas Constitution, which
28 provides that an officer in this state continues to
29 perform the officer's official duties until a
30 successor has qualified. The omitted law reads:

31 (e) A director serves until the
32 director's successor has qualified.

33 Revised Law

34 Sec. 8825.053. APPOINTMENT OF DIRECTORS. (a) The
35 commissioners courts of the counties in the district, if the

1 district has two to five counties, shall each appoint four
2 directors, of whom:

- 3 (1) one must represent municipal interests;
- 4 (2) one must represent agricultural interests;
- 5 (3) one must represent industrial interests; and
- 6 (4) one must represent rural water suppliers'
7 interests.

8 (b) If the district consists of one county, the
9 commissioners court of that county shall appoint eight directors,
10 of whom:

- 11 (1) two must represent municipal interests;
- 12 (2) two must represent agricultural interests;
- 13 (3) two must represent industrial interests; and
- 14 (4) two must represent rural water suppliers'
15 interests.

16 (c) Every two years after the date on which all initial
17 directors qualified as required by Section 36.055, Water Code, the
18 appropriate commissioners courts shall each appoint the
19 appropriate number of directors. (Acts 77th Leg., R.S., Ch. 1361,
20 Secs. 13(a), (b), (d) (part).)

21 Source Law

22 Sec. 13. (a) The commissioners courts of the
23 counties within the district, if the district has two
24 to five counties, shall each appoint four directors,
25 of whom:

- 26 (1) one must represent municipal
27 interests;
- 28 (2) one must represent agricultural
29 interests;
- 30 (3) one must represent industrial
31 interests; and
- 32 (4) one must represent rural water
33 suppliers' interests.

34 (b) If the district consists of one county, the
35 commissioners court of that county shall appoint eight
36 directors, of whom:

- 37 (1) two must represent municipal
38 interests;
- 39 (2) two must represent agricultural
40 interests;
- 41 (3) two must represent industrial
42 interests; and
- 43 (4) two must represent rural water
44 suppliers' interests.

45 (d) . . . On the second anniversary of the date
46 on which all initial directors have qualified as

1 required by Section 12 of this Act and every two years
2 after that date, the appropriate commissioners courts
3 shall appoint the appropriate number of permanent
4 directors.

5 Revisor's Note

6 (1) Sections 13(c) and (d), Chapter 1361, Acts
7 of the 77th Legislature, Regular Session, 2001,
8 provide for the appointment and terms of office of the
9 initial directors. The revised law omits those
10 provisions as executed. The omitted law reads:

11 (c) The commissioners courts of the
12 counties within the district shall each
13 appoint the appropriate number of initial
14 directors as soon as practicable following
15 the effective date of this Act, but not
16 later than the 90th day after the effective
17 date of this Act.

18 (d) The initial directors shall draw
19 lots to determine their terms. Half of the
20 initial directors serve terms that expire
21 on the second anniversary of the date on
22 which all initial directors have qualified
23 as required by Section 12 of this Act, and
24 half of the initial directors serve terms
25 that expire on the fourth anniversary of the
26 date on which all initial directors have
27 qualified as required by Section 12 of this
28 Act. . . .

29 (2) Section 13(d), Chapter 1361, Acts of the
30 77th Legislature, Regular Session, 2001, provides for
31 the appointment of "permanent" directors "[o]n the
32 second anniversary of the date on which all initial
33 directors have qualified as required by Section 12 of
34 this Act and every two years after that date." The
35 revised law omits the reference to "permanent"
36 directors for the reason stated in Revisor's Note (1)
37 to Section 8825.052 and omits as executed the language
38 referring to the first appointment of "permanent"
39 directors on the second anniversary of the date on
40 which the initial directors qualified.

41 The revised law also substitutes a reference to
42 Section 36.055, Water Code, for the reference to
43 Section 12 of Chapter 1361. Section 12(d) requires a
44 director to comply with Section 36.055, Water Code.
45 (See the revisor's note to Section 8825.051.)

1 Throughout this chapter, the revised law omits law
2 that duplicates law contained in Chapter 36, Water
3 Code, which applies to the district under Section
4 8825.101 of this chapter and Section 36.001(1), Water
5 Code.

6 Revised Law

7 Sec. 8825.054. BOARD VACANCY. (a) If there is a vacancy on
8 the board, the commissioners court that appointed the director who
9 vacated the office shall appoint a director to serve the remainder
10 of the term.

11 (b) In making the appointment, the commissioners court
12 shall appoint a director to represent the interest of the director
13 who vacated the office. (Acts 77th Leg., R.S., Ch. 1361, Sec.
14 12(g).)

15 Source Law

16 (g) If there is a vacancy on the board, the
17 governing body of the entity that appointed the
18 director who vacated the office shall appoint a
19 director to serve the remainder of the term. In making
20 this appointment, the governing body shall appoint a
21 director to represent the interest of the director who
22 has vacated the office.

23 Revisor's Note

24 Section 12(g), Chapter 1361, Acts of the 77th
25 Legislature, Regular Session, 2001, refers to the
26 "governing body of the entity" that appointed the
27 vacating director. The revised law substitutes
28 "commissioners court" for the quoted language because
29 the commissioners court is the governing body that
30 appoints all directors.

31 Revised Law

32 Sec. 8825.055. COMPENSATION; EXPENSES. (a) A director is
33 not entitled to receive compensation for serving as a director.

34 (b) A director may be reimbursed for actual reasonable
35 expenses incurred in discharging official duties. (Acts 77th Leg.,
36 R.S., Ch. 1361, Sec. 12(h).)

1 Source Law

2 (h) Directors are not entitled to receive
3 compensation for serving as a director but may be
4 reimbursed for actual, reasonable expenses incurred in
5 the discharge of official duties.

6 Revised Law

7 Sec. 8825.056. VOTE REQUIRED FOR BOARD ACTION. A majority
8 vote of a quorum of the board is required for board action. If there
9 is a tie vote, the proposed action fails. (Acts 77th Leg., R.S.,
10 Ch. 1361, Sec. 12(i).)

11 Source Law

12 (i) A majority vote of a quorum is required for
13 board action. If there is a tie vote, the proposed
14 action fails.

15 Revisor's Note
16 (End of Subchapter)

17 (1) Section 12(b), Chapter 1361, Acts of the
18 77th Legislature, Regular Session, 2001, requires
19 initial directors to serve until permanent directors
20 are appointed. Because the terms of the initial
21 directors have expired, the revised law omits Section
22 12(b) as executed. The omitted law reads:

23 (b) Initial directors serve until
24 permanent directors are appointed under
25 Section 13 of this Act and qualified as
26 required by Subsection (d) of this section.

27 (2) Section 14, Chapter 1361, Acts of the 77th
28 Legislature, Regular Session, 2001, requires an
29 organizational meeting of the initial directors. The
30 revised law omits Section 14 of that chapter as
31 executed. The omitted law reads:

32 Sec. 14. As soon as practicable after
33 all the initial directors have been
34 appointed and have qualified as provided in
35 this Act, a majority of the directors shall
36 convene the organizational meeting of the
37 district at a location within the district
38 agreeable to a majority of the directors.
39 If no location can be agreed on, the
40 organizational meeting of the directors
41 shall be at the Washington County
42 Courthouse.

43 [Sections 8825.057-8825.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 8825.101. GROUNDWATER CONSERVATION DISTRICT POWERS
4 AND DUTIES. Except as otherwise provided by this chapter, the
5 district has the rights, powers, privileges, functions, and duties
6 provided by the general law of this state, including Chapter 36,
7 Water Code, applicable to groundwater conservation districts
8 created under Section 59, Article XVI, Texas Constitution. (Acts
9 77th Leg., R.S., Ch. 1361, Sec. 5(a) (part).)

10 Source Law

11 Sec. 5. (a) Except as otherwise provided by
12 this Act, the district has all the rights, powers,
13 privileges, authority, functions, and duties provided
14 by the general law of this state, including Chapter 36,
15 Water Code, applicable to groundwater conservation
16 districts created under Section 59, Article XVI, Texas
17 Constitution. . . .

18 Revisor's Note

19 Section 5(a), Chapter 1361, Acts of the 77th
20 Legislature, Regular Session, 2001, refers to the
21 "rights, powers, privileges, [and] authority" of the
22 district. The revised law omits "authority" because,
23 in context, "authority" is included in the meaning of
24 "rights, powers, [and] privileges."

25 Revised Law

26 Sec. 8825.102. LIMITATIONS ON DISTRICT POWERS. The
27 district does not have the authority granted by:

28 (1) Section 36.105, Water Code, relating to eminent
29 domain; and

30 (2) Sections 36.020 and 36.201-36.204, Water Code,
31 relating to taxes. (Acts 77th Leg., R.S., Ch. 1361, Sec. 5(b).)

32 Source Law

33 (b) The district does not have the authority
34 granted by the following provisions of Chapter 36,
35 Water Code:

36 (1) Section 36.105, relating to eminent
37 domain; and

38 (2) Sections 36.020 and 36.201-36.204,
39 relating to taxes.

1 Revised Law

2 Sec. 8825.103. REGISTRATION, EQUIPMENT, AND MAINTENANCE OF
3 EXEMPTED WELLS; APPLICABILITY OF FEES. (a) A well exempted under
4 Section 36.117(a) or (b), Water Code, may be:

5 (1) registered in accordance with rules adopted by the
6 district; and

7 (2) equipped and maintained in accordance with Section
8 36.117(h)(2), Water Code.

9 (b) The district may require the driller of a well exempted
10 as provided by Subsection (a) to file the drilling log with the
11 district.

12 (c) Groundwater withdrawn from an exempted well and
13 subsequently transported outside the boundaries of the district is
14 subject to all applicable production and export fees imposed under
15 Sections 8825.105 and 8825.106. (Acts 77th Leg., R.S., Ch. 1361,
16 Secs. 7(i) (part), (j), (l).)

17 Source Law

18 (i) A water well exempted under Subsection (a)
19 or (b) of this section may:

20 (1) be registered in accordance with rules
21 adopted by the district; and

22 (2) be equipped and maintained

23 (j) The district may require the driller of a
24 well exempted under Subsection (a) or (b) of this
25 section to file the drilling log with the district.

26 (l) Groundwater withdrawn from a well exempt
27 from permitting or regulation under this section and
28 subsequently transported outside the boundaries of the
29 district is subject to any applicable production and
30 export fees under Section 6 of this Act.

31 Revisor's Note

32 (1) Section 7(i), Chapter 1361, Acts of the 77th
33 Legislature, Regular Session, 2001, refers to a water
34 well exempted under "Subsection (a) or (b) of this
35 section." The revised law substitutes a reference to
36 "Section 36.117(a) or (b), Water Code," for the quoted
37 language because Subsections (a) and (b) of Section 7
38 duplicate Sections 36.117(a) and (b), Water Code.
39 (See Revisor's Note (1) at the end of this subchapter.)

40 (2) Section 7(i)(2), Chapter 1361, Acts of the

1 77th Legislature, Regular Session, 2001, provides that
2 an exempted water well may be equipped and maintained
3 in a specific manner. The revised law substitutes
4 "equipped and maintained in accordance with Section
5 36.117(h)(2), Water Code," for the provision because
6 the specific manner described by Section 7(i)(2)
7 duplicates Section 36.117(h)(2), Water Code. The
8 omitted law reads:

9 [(i) A water well exempted under
10 Subsection (a) or (b) of this section may:

11 (2) be equipped and maintained]
12 so as to conform to the district's rules
13 requiring installation of casing, pipe, and
14 fittings to prevent the escape of
15 groundwater from a groundwater reservoir to
16 any reservoir not containing groundwater
17 and to prevent the pollution or harmful
18 alteration of the character of the water in
19 any groundwater reservoir.
20

21 Revised Law

22 Sec. 8825.104. CERTAIN PERMIT DENIALS PROHIBITED. The
23 district may not deny the owner of a tract of land, or the owner's
24 lessee, who does not have a well equipped to produce more than
25 25,000 gallons each day on the tract, either a permit to drill a
26 well on the tract or the privilege to produce groundwater from the
27 tract, subject to any rules of the district. (Acts 77th Leg., R.S.,
28 Ch. 1361, Sec. 7(c).)

29 Source Law

30 (c) The district may not deny the owner of a
31 tract of land, or the owner's lessee, who does not have
32 a well equipped to produce more than 25,000 gallons a
33 day on the tract, either a permit to drill a well on the
34 owner's land or the privilege to produce groundwater
35 from the owner's land, subject to the rules of the
36 district.

37 Revised Law

38 Sec. 8825.105. PERMIT FEES. (a) The board by rule may
39 impose a reasonable fee on each well that is not exempt from
40 regulation by the district and for which a permit is issued by the
41 district.

42 (b) The fee may be based on:

43 (1) the size of column pipe used by the well; or

1 (2) the actual, authorized, or anticipated amount of
2 water to be withdrawn from the well.

3 (c) The fee may not exceed:

4 (1) \$1 for each acre-foot payable annually for water
5 used for agricultural use; or

6 (2) 17 cents for each thousand gallons for water used
7 for any other purpose. (Acts 77th Leg., R.S., Ch. 1361, Secs. 6(a),
8 (b).)

9 Source Law

10 Sec. 6. (a) The board of directors of the
11 district by rule may impose reasonable fees on each
12 well for which a permit is issued by the district and
13 which is not exempt from regulation by the district. A
14 fee may be based on the size of column pipe used by the
15 well or on the actual, authorized, or anticipated
16 amount of water to be withdrawn from the well.

17 (b) Fees may not exceed:

18 (1) \$1 per acre-foot payable annually for
19 water used for agricultural use; or

20 (2) 17 cents per thousand gallons for
21 water used for any other purpose.

22 Revised Law

23 Sec. 8825.106. ADDITIONAL FEE; SURCHARGE. In addition to a
24 fee imposed under Section 8825.105, the district may impose a
25 reasonable fee or surcharge for an export fee using one of the
26 following methods:

27 (1) a fee negotiated between the district and the
28 transporter; or

29 (2) a combined production and export fee not to exceed
30 17 cents for each thousand gallons for water used. (Acts 77th Leg.,
31 R.S., Ch. 1361, Sec. 6(c).)

32 Source Law

33 (c) In addition to the fee authorized under
34 Subsection (a) of this section, the district may
35 impose a reasonable fee or surcharge for an export fee
36 using one of the following methods:

37 (1) a fee negotiated between the district
38 and the transporter; or

39 (2) a combined production and export fee
40 not to exceed 17 cents per thousand gallons for water
41 used.

42 Revised Law

43 Sec. 8825.107. ANNUAL ASSESSMENT AND USE OF FEES. A fee
44 imposed under Section 8825.105 or 8825.106 may be:

- 1 (1) assessed annually; and
2 (2) used to fund the costs of district operations.
3 (Acts 77th Leg., R.S., Ch. 1361, Sec. 6(d).)

4 Source Law

5 (d) Fees authorized by this section may be
6 assessed annually and may be used to fund the cost of
7 district operations.

8 Revised Law

9 Sec. 8825.108. MITIGATION ASSISTANCE. In addition to the
10 authority granted by Chapter 36, Water Code, the district may
11 assist in the mediation between landowners regarding the mitigation
12 of a loss of existing groundwater supply of exempt domestic and
13 livestock users due to the groundwater pumping of others. (Acts
14 77th Leg., R.S., Ch. 1361, Sec. 8.)

15 Source Law

16 Sec. 8. In addition to the authority granted
17 under Chapter 36, Water Code, the district may assist
18 in the mediation between landowners regarding the
19 mitigation of the loss of existing groundwater supply
20 of exempt domestic and livestock users due to the
21 groundwater pumping of others.

22 Revised Law

23 Sec. 8825.109. COORDINATION WITH OTHER ENTITIES. The
24 district may:

25 (1) coordinate activities with the Central
26 Carrizo-Wilcox Coordinating Council and appoint a nonvoting
27 representative to the Central Carrizo-Wilcox Coordinating Council;
28 and

29 (2) coordinate activities with the Harris-Galveston
30 Coastal Subsidence District or other groundwater conservation
31 districts to manage portions of the Gulf Coast Aquifer. (Acts 77th
32 Leg., R.S., Ch. 1361, Sec. 11.)

33 Source Law

34 Sec. 11. (a) The district may coordinate
35 activities with the Central Carrizo-Wilcox
36 Coordinating Council and may appoint a nonvoting
37 representative to the Central Carrizo-Wilcox
38 Coordinating Council.

39 (b) The district may coordinate activities with
40 the Harris-Galveston Coastal Subsidence District or
41 with other groundwater conservation districts to
42 manage portions of the Gulf Coast Aquifer.

1 Revisor's Note
2 (End of Subchapter)

3 (1) Sections 7(a), (b), (d), (e), (f), (g), (h),
4 (k), and (m), Chapter 1361, Acts of the 77th
5 Legislature, Regular Session, 2001, authorize certain
6 exemptions from and exceptions to the requirement of a
7 permit and include certain limitations on the
8 authority of the district in connection with permits.
9 The revised law omits those provisions because they
10 duplicate, in substance, provisions in Section 36.117,
11 Water Code. The omitted law reads:

12 Sec. 7. (a) The district may exempt
13 wells under Section 36.117, Water Code,
14 from the requirements to obtain a drilling
15 permit, an operating permit, or any other
16 permit required by Chapter 36, Water Code,
17 or the district's rules.

18 (b) The district may not require a
19 permit for:

20 (1) a well used solely for
21 domestic use or for providing water for
22 livestock or poultry on a tract of land
23 larger than 10 acres that is either drilled,
24 completed, or equipped so that it is
25 incapable of producing more than 25,000
26 gallons of groundwater a day;

27 (2) the drilling of a water well
28 used solely to supply water for a rig that
29 is actively engaged in drilling or
30 exploration operations for an oil or gas
31 well permitted by the Railroad Commission
32 of Texas, provided that the person holding
33 the permit is responsible for drilling and
34 operating the water well and the well is
35 located on the same lease or field
36 associated with the drilling rig; or

37 (3) the drilling of a water well
38 authorized under a permit issued by the
39 Railroad Commission of Texas under Chapter
40 134, Natural Resources Code, or for
41 production from any such well to the extent
42 the withdrawals are required for mining
43 activities regardless of any subsequent use
44 of the water.

45 (d) The district may not restrict the
46 production of any well that is exempt from
47 permitting under Subsection (b)(1) of this
48 section.

49 (e) Notwithstanding Subsection (b)
50 of this section, the district may require a
51 well to be permitted by the district and to
52 comply with all district rules if:

53 (1) the purpose of a well
54 exempted under Subsection (b)(2) of this
55 section is no longer solely to supply water
56 for a rig that is actively engaged in
57 drilling or exploration operations for an

1 oil or gas well permitted by the Railroad
2 Commission of Texas; or

3 (2) the withdrawals from a well
4 exempted under Subsection (b)(3) of this
5 section are no longer necessary for mining
6 activities or are greater than the amount
7 necessary for mining activities specified
8 in the permit issued by the Railroad
9 Commission of Texas under Chapter 134,
10 Natural Resources Code.

11 (f) An entity holding a permit issued
12 by the Railroad Commission of Texas under
13 Chapter 134, Natural Resources Code, that
14 authorizes the drilling of a water well
15 shall report monthly to the district:

16 (1) the total amount of water
17 withdrawn during the month;

18 (2) the quantity of water
19 necessary for mining activities; and

20 (3) the quantity of water
21 withdrawn for other purposes.

22 (g) Notwithstanding Subsection (e)
23 of this section, the district may not
24 require a well exempted under Subsection
25 (b)(3) of this section to comply with the
26 spacing requirements of the district.

27 (h) The district may not deny an
28 application for a permit to drill and
29 produce water for hydrocarbon production
30 activities if the application meets the
31 spacing, density, and production rules
32 applicable to all permitted water wells in
33 the district.

34 (k) A well to supply water for a
35 subdivision of land for which a plat
36 approval is required by Chapter 232, Local
37 Government Code, is not exempted under
38 Subsection (b) of this section.

39 (m) This section applies to water
40 wells, including water wells used to supply
41 water for activities related to the
42 exploration or production of hydrocarbons
43 or minerals. This section does not apply to
44 production or injection wells drilled for
45 oil, gas, sulphur, uranium, or brine, for
46 core tests, or for injection of gas,
47 saltwater, or other fluids, under permits
48 issued by the Railroad Commission of Texas.

49 (2) Section 9, Chapter 1361, Acts of the 77th
50 Legislature, Regular Session, 2001, requires the
51 district to develop or contract for the development of
52 the management plan required by Section 36.1071, Water
53 Code. The revised law omits Section 9 because it
54 duplicates Section 36.1071, Water Code. The omitted
55 law reads:

56 Sec. 9. The district shall develop or
57 contract to develop its own management plan
58 under Section 36.1071, Water Code.

1 (3) Section 10, Chapter 1361, Acts of the 77th
2 Legislature, Regular Session, 2001, requires the
3 district to consider certain factors in issuing a
4 permit for a well. The revised law omits Section 10
5 because it duplicates, in substance, Section
6 36.113(d), Water Code. The omitted law reads:

7 Sec. 10. The district shall issue
8 permits for wells based on the
9 consideration of whether:

10 (1) the application conforms to
11 the requirements prescribed by Chapter 36,
12 Water Code, and is accompanied by the
13 prescribed fees;

14 (2) the proposed use of water
15 unreasonably affects existing groundwater
16 and surface water resources or existing
17 permit holders;

18 (3) the proposed use of water is
19 dedicated to any beneficial use;

20 (4) the proposed use of water is
21 consistent with the district's certified
22 water management plan;

23 (5) the applicant has agreed to
24 avoid waste and achieve water conservation;
25 and

26 (6) the applicant has agreed
27 that reasonable diligence will be used to
28 protect groundwater quality and that the
29 applicant will follow well plugging
30 guidelines at the time of well closure.

31 Revisor's Note
32 (End of Chapter)

33 Section 16, Chapter 1361, Acts of the 77th
34 Legislature, Regular Session, 2001, recites
35 legislative findings regarding procedural
36 requirements for legislation affecting the district
37 under the constitution and other laws and rules,
38 including proper legal notice and the filing of
39 recommendations. The revised law omits these
40 provisions as executed. The omitted law reads:

41 Sec. 16. (a) The proper and legal
42 notice of the intention to introduce this
43 Act, setting forth the general substance of
44 this Act, has been published as provided by
45 law, and the notice and a copy of this Act
46 have been furnished to all persons,
47 agencies, officials, or entities to which
48 they are required to be furnished by the
49 constitution and other laws of this state,
50 including the governor, who has submitted
51 the notice and Act to the Texas Natural
52 Resource Conservation Commission.

1 (b) The Texas Natural Resource
2 Conservation Commission has filed its
3 recommendations relating to this Act with
4 the governor, the lieutenant governor, and
5 the speaker of the house of representatives
6 within the required time.

7 (c) All requirements of the
8 constitution and laws of this state and the
9 rules and procedures of the legislature
10 with respect to the notice, introduction,
11 and passage of this Act are fulfilled and
12 accomplished.

13 CHAPTER 8826. BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Sec. 8826.001. DEFINITIONS 2072
16 Sec. 8826.002. NATURE OF DISTRICT 2073
17 Sec. 8826.003. FINDINGS OF PUBLIC USE AND BENEFIT 2074
18 Sec. 8826.004. DISTRICT TERRITORY 2074

19 [Sections 8826.005-8826.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8826.051. COMPOSITION OF BOARD; TERMS 2076
22 Sec. 8826.052. ELECTION OF DIRECTORS 2077
23 Sec. 8826.053. ELECTION DATE 2078
24 Sec. 8826.054. ELIGIBILITY 2079

25 [Sections 8826.055-8826.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 8826.101. GROUNDWATER CONSERVATION DISTRICT
28 POWERS AND DUTIES 2081
29 Sec. 8826.102. LIMITATIONS ON DISTRICT POWERS 2081
30 Sec. 8826.103. WELLS EXEMPT FROM REGULATION 2082

31 [Sections 8826.104-8826.150 reserved for expansion]

32 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

33 Sec. 8826.151. FEES 2082

34 CHAPTER 8826. BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

35 SUBCHAPTER A. GENERAL PROVISIONS

36 Revised Law

37 Sec. 8826.001. DEFINITIONS. In this chapter:

- 38 (1) "Board" means the district's board of directors.
39 (2) "Director" means a board member.
40 (3) "District" means the Brazoria County Groundwater

1 Conservation District. (Acts 78th Leg., R.S., Ch. 772, Sec. 2;
2 New.)

3 Source Law

4 Sec. 2. In this Act:

5 (1) "District" means the Brazoria County
6 Groundwater Conservation District.

7 (2) "Board" means the district's board of
8 directors.

9 Revisor's Note

10 The definition of "director" is added to the
11 revised law for drafting convenience and to eliminate
12 frequent, unnecessary repetition of the substance of
13 the definition.

14 Revised Law

15 Sec. 8826.002. NATURE OF DISTRICT. The district is a
16 groundwater conservation district in Brazoria County created under
17 and essential to accomplish the purposes of Section 59, Article
18 XVI, Texas Constitution. (Acts 78th Leg., R.S., Ch. 772, Secs. 1(a)
19 (part), (b).)

20 Source Law

21 Sec. 1. (a) A groundwater conservation
22 district, to be known as the Brazoria County
23 Groundwater Conservation District, is created in
24 Brazoria County,

25 (b) The district is created under and is
26 essential to accomplish the purposes of Section 59,
27 Article XVI, Texas Constitution.

28 Revisor's Note

29 (1) Section 1(a), Chapter 772, Acts of the 78th
30 Legislature, Regular Session, 2003, refers to a
31 confirmation election. Because the confirmation
32 election has already been held, the revised law omits
33 the provision as executed. The omitted law reads:

34 (a) . . . subject to approval at a
35 confirmation election under Section 9 of
36 this Act. . . .

37 (2) Section 1(a), Chapter 772, Acts of the 78th
38 Legislature, Regular Session, 2003, provides that the
39 district is a governmental agency and a body politic
40 and corporate. The revised law omits the provision

1 because it duplicates a portion of Section 59(b),
2 Article XVI, Texas Constitution, which provides that a
3 conservation and reclamation district is a
4 governmental agency and a body politic and corporate.
5 The omitted law reads:

6 (a) . . . The district is a
7 governmental agency and a body politic and
8 corporate.

9 Revised Law

10 Sec. 8826.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
11 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. (Acts 78th Leg., R.S., Ch. 772, Sec. 4.)

16 Source Law

17 Sec. 4. All of the land and other property
18 included within the boundaries of the district will be
19 benefited by the works and projects that are to be
20 accomplished by the district under powers conferred by
21 Section 59, Article XVI, Texas Constitution. The
22 district is created to serve a public use and benefit.

23 Revised Law

24 Sec. 8826.004. DISTRICT TERRITORY. The district's
25 boundaries are coextensive with the boundaries of Brazoria County,
26 Texas, unless the district's territory has been modified under:

- 27 (1) Subchapter J, Chapter 36, Water Code; or
28 (2) other law. (Acts 78th Leg., R.S., Ch. 772, Sec. 3;
29 New.)

30 Source Law

31 Sec. 3. The boundaries of the district are
32 coextensive with the boundaries of Brazoria County,
33 Texas.

34 Revisor's Note

35 The revision of the law governing the district
36 revises the statutory language describing the
37 territory of the district. Because the district's
38 boundaries are subject to change, that description may
39 not be accurate on the effective date of the revision

1 or at the time of a later reading. For the reader's
2 convenience, the revised law includes a reference to
3 the authority to change the district's territory under
4 Subchapter J, Chapter 36, Water Code, applicable to
5 groundwater conservation districts, and to the general
6 authority of the legislature to enact other laws to
7 change the district's territory.

8 Revisor's Note
9 (End of Subchapter)

10 (1) Section 5, Chapter 772, Acts of the 78th
11 Legislature, Regular Session, 2003, provides that the
12 act prevails over general law in case of a conflict or
13 other inconsistency. The revised law omits the
14 provision because it duplicates, in substance, Section
15 311.026, Government Code (Code Construction Act). The
16 omitted law reads:

17 Sec. 5. . . . This Act prevails over
18 any provision of general law that is in
19 conflict or inconsistent with this Act.

20 (2) Section 9, Chapter 772, Acts of the 78th
21 Legislature, Regular Session, 2003, provides
22 procedures for holding an election to confirm the
23 district's creation and to elect the district's initial
24 board. Because the district has been confirmed and its
25 initial board have been elected, the revised law omits
26 those provisions as executed. The omitted law reads:

27 Sec. 9. (a) The temporary board of
28 directors shall call and hold an election to
29 confirm establishment of the district and
30 to elect initial directors.

31 (b) At the confirmation and initial
32 directors' election, the temporary board of
33 directors shall have placed on the ballot
34 the name of any candidate filing for an
35 initial director's position and blank
36 spaces to write in the names of other
37 persons. A temporary director who is
38 eligible to be a candidate under Section 8
39 may file for an initial director's position.

40 (c) Section 41.001(a), Election
41 Code, does not apply to a confirmation and
42 initial directors' election held as
43 provided by this section.

44 (d) Except as provided by this
45 section, a confirmation and initial

1 directors' election must be conducted as
2 provided by Sections 36.017(b)-(h), Water
3 Code, and the Election Code.

4 [Sections 8826.005-8826.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Revised Law

7 Sec. 8826.051. 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 78th
10 Leg., R.S., Ch. 772, Secs. 6(a), (d).)

11 Source Law

12 Sec. 6. (a) The district is governed by a board
13 of five directors.

14 (d) Permanent directors serve staggered
15 four-year terms.

16 Revisor's Note

17 (1) Section 6(d), Chapter 772, Acts of the 78th
18 Legislature, Regular Session, 2003, refers to
19 "[p]ermanent" directors. Sections 6, 7, and 9 of
20 Chapter 772 refer to "temporary," "initial," and
21 "permanent" directors to distinguish between the
22 "temporary" directors appointed by the Brazoria County
23 Commissioners Court, the directors who immediately
24 succeeded the "temporary" directors after the first
25 election of directors, and subsequently serving
26 directors. Because the revised law omits provisions
27 regarding "temporary" and "initial" directors as
28 executed (see the revisor's notes at the end of this
29 subchapter), the revised law also omits "permanent"
30 because it does not contribute to the clear meaning of
31 the law.

32 (2) Section 6(e), Chapter 772, Acts of the 78th
33 Legislature, Regular Session, 2003, provides that a
34 director must qualify to serve in the manner provided
35 by Section 36.055, Water Code. The revised law omits
36 the provision because Section 36.055, Water Code,
37 applies to the district under Section 8826.101 of this

1 chapter and Section 36.001(1), Water Code. The
2 omitted law reads:

3 (e) Each director must qualify to
4 serve as director in the manner provided by
5 Section 36.055, Water Code.

6 (3) Section 6(f), Chapter 772, Acts of the 78th
7 Legislature, Regular Session, 2003, provides that a
8 director serves until a successor has qualified. The
9 revised law omits the provision because it duplicates
10 Section 17, Article XVI, Texas Constitution, which
11 provides that an officer in this state continues to
12 perform the officer's official duties until a
13 successor has qualified. The omitted law reads:

14 (f) A director serves until the
15 director's successor has qualified.

16 Revised Law

17 Sec. 8826.052. ELECTION OF DIRECTORS. (a) Directors are
18 elected according to the commissioners precinct method as provided
19 by this section.

20 (b) One director is elected by the voters of the entire
21 district. One director is elected from each county commissioners
22 precinct by the voters of that precinct.

23 (c) A person shall indicate on the application for a place
24 on the ballot:

25 (1) the precinct that the person seeks to represent;

26 or

27 (2) that the person seeks to represent the district at
28 large.

29 (d) When the boundaries of the county commissioners
30 precincts are redrawn under Section 18, Article V, Texas
31 Constitution, a director in office on the effective date of the
32 change, or elected or appointed before the effective date of the
33 change to a term of office beginning on or after the effective date
34 of the change, shall serve the term or the remainder of the term in
35 the precinct to which elected or appointed even though the change in
36 boundaries places the director's residence outside the precinct for

1 which the director was elected or appointed. (Acts 78th Leg., R.S.,
2 Ch. 772, Secs. 8(a), (b), (d), (e).)

3 Source Law

4 Sec. 8. (a) The directors of the district shall
5 be elected according to the commissioners precinct
6 method as provided by this section.

7 (b) One director shall be elected by the voters
8 of the entire district, and one director shall be
9 elected from each county commissioners precinct by the
10 voters of that precinct.

11 (d) A person shall indicate on the application
12 for a place on the ballot:

13 (1) the precinct that the person seeks to
14 represent; or

15 (2) that the person seeks to represent the
16 district at large.

17 (e) When the boundaries of the county
18 commissioners precincts are redrawn under Section 18,
19 Article V, Texas Constitution, a director in office on
20 the effective date of the change, or elected or
21 appointed before the effective date of the change to a
22 term of office beginning on or after the effective date
23 of the change, shall serve the term or the remainder of
24 the term in the precinct to which elected or appointed
25 even though the change in boundaries places the
26 person's residence outside the precinct for which the
27 person was elected or appointed.

28 Revised Law

29 Sec. 8826.053. ELECTION DATE. On the first Tuesday after
30 the first Monday in November of each even-numbered year, the
31 appropriate number of directors shall be elected. (Acts 78th Leg.,
32 R.S., Ch. 772, Sec. 10(b).)

33 Source Law

34 (b) On the first Tuesday after the first Monday
35 in November of each subsequent second year following
36 the election, the appropriate number of directors
37 shall be elected.

38 Revisor's Note

39 (1) Section 10(a), Chapter 772, Acts of the 78th
40 Legislature, Regular Session, 2003, prescribes the
41 election date for the first directors' election
42 following the confirmation election. Because the
43 district has been confirmed and its first permanent
44 directors have been elected, the revised law omits
45 this provision as executed. The omitted law reads:

46 Sec. 10. (a) On the first Tuesday
47 after the first Monday in November of the
48 first even-numbered year after the year in

1 which the district is authorized to be
2 created at a confirmation election, an
3 election shall be held in the district for
4 the election of three directors to serve
5 four-year terms and two directors to serve
6 two-year terms.

7 (2) Section 10(b), Chapter 772, Acts of the 78th
8 Legislature, Regular Session, 2003, requires
9 directors' elections to be held on the first Tuesday
10 after the first Monday in November "of each subsequent
11 second year following the election," meaning the first
12 directors' election. (See Revisor's Note (1) to this
13 section.) The revised law substitutes "of each
14 even-numbered year" for "of each subsequent second
15 year following the election" because the first
16 directors' election was held in November 2006, an
17 even-numbered year. As a result, subsequent
18 directors' elections will be held in even-numbered
19 years.

20 Revised Law

21 Sec. 8826.054. ELIGIBILITY. (a) To be eligible to be a
22 candidate for or to serve as director at large, a person must be a
23 registered voter in the district.

24 (b) To be eligible to be a candidate for or to serve as
25 director from a county commissioners precinct, a person must be a
26 registered voter of that precinct, except as provided by Section
27 8826.052(d). (Acts 78th Leg., R.S., Ch. 772, Sec. 8(c).)

28 Source Law

29 (c) To be eligible to be a candidate for or to
30 serve as director at large, a person must be a
31 registered voter in the district. To be a candidate
32 for or to serve as director from a county commissioners
33 precinct, a person must be a registered voter of that
34 precinct.

35 Revisor's Note

36 Section 8(c), Chapter 772, Acts of the 78th
37 Legislature, Regular Session, 2003, provides that to
38 be eligible to serve as a director from a county
39 commissioners precinct, a person must be a registered
40 voter of that precinct. For the convenience of the

1 reader, the revised law adds a cross-reference to
2 Section 8826.052(d) of this chapter because that
3 section provides for an exception to the eligibility
4 requirement when the county commissioners precincts
5 are redrawn.

6 Revisor's Note
7 (End of Subchapter)

8 (1) Sections 6(b) and (c), Chapter 772, Acts of
9 the 78th Legislature, Regular Session, 2003, refer to
10 "temporary" and "initial" directors of the district
11 and to elections under Sections 9 and 10 of that
12 chapter. The revised law omits Sections 6(b) and (c)
13 as executed because the terms of the temporary and
14 initial directors have expired and the initial
15 election for permanent directors has been held. The
16 omitted law reads:

17 (b) Temporary directors serve until
18 initial directors are elected under Section
19 9 of this Act.

20 (c) Initial directors serve until
21 permanent directors are elected under
22 Section 10 of this Act.

23 (2) Section 7, Chapter 772, Acts of the 78th
24 Legislature, Regular Session, 2003, provides for the
25 appointment of temporary directors and for filling
26 vacancies on the temporary board. Because the
27 temporary directors were appointed and the terms of
28 the temporary directors have expired, the revised law
29 omits those provisions as executed. The omitted law
30 reads:

31 Sec. 7. (a) The temporary board of
32 directors consists of:

33 (1) four members appointed by
34 the Brazoria County Commissioners Court;
35 and

36 (2) Dennis Ray Davenport, who
37 shall serve as the presiding officer.

38 (b) If a temporary director fails to
39 qualify for office or vacates the office
40 before initial directors are elected, the
41 Brazoria County Commissioners Court shall
42 appoint a new person to fill the vacancy.

1 [Sections 8826.055-8826.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 8826.101. GROUNDWATER CONSERVATION DISTRICT POWERS
5 AND DUTIES. Except as provided by Section 8826.102, the district
6 has the rights, powers, privileges, functions, and duties provided
7 by the general law of this state, including Chapter 36, Water Code,
8 applicable to groundwater conservation districts created under
9 Section 59, Article XVI, Texas Constitution. (Acts 78th Leg.,
10 R.S., Ch. 772, Sec. 5 (part).)

11 Source Law

12 Sec. 5. Except as provided by Section 11 of this
13 Act, the district has all of the rights, powers,
14 privileges, authority, functions, and duties provided
15 by the general law of this state, including Chapter 36,
16 Water Code, applicable to groundwater conservation
17 districts created under Section 59, Article XVI, Texas
18 Constitution. . . .

19 Revisor's Note

20 Section 5, Chapter 772, Acts of the 78th
21 Legislature, Regular Session, 2003, refers to the
22 "rights, powers, privileges, [and] authority" of the
23 district. The revised law omits the reference to
24 "authority" because, in context, "authority" is
25 included in the meaning of "rights, powers, [and]
26 privileges."

27 Revised Law

28 Sec. 8826.102. LIMITATIONS ON DISTRICT POWERS. The
29 district may not:

- 30 (1) impose a tax of any type;
31 (2) exercise the power of eminent domain;
32 (3) acquire land;
33 (4) issue or sell bonds; or
34 (5) purchase, sell, transport, or distribute surface
35 water or groundwater. (Acts 78th Leg., R.S., Ch. 772, Sec. 11(a).)

36 Source Law

37 Sec. 11. (a) The district may not for any
38 purpose:

- 1 (1) impose a tax of any type;
2 (2) exercise the power of eminent domain;
3 (3) acquire land;
4 (4) issue or sell bonds; or
5 (5) purchase, sell, transport, or
6 distribute surface water or groundwater.

7 Revisor's Note

8 Section 11(a), Chapter 772, Acts of the 78th
9 Legislature, Regular Session, 2003, provides that the
10 district may not "for any purpose" exercise certain
11 powers. The revised law omits the quoted language
12 because it does not contribute to the clear meaning of
13 the law.

14 Revised Law

15 Sec. 8826.103. WELLS EXEMPT FROM REGULATION. (a) For a new
16 or existing water well on private property that serves only a
17 single-family dwelling used only for domestic purposes, the
18 district may not:

- 19 (1) assess or collect a fee of any type; or
20 (2) require that a meter be placed on the well.

21 (b) For a new or existing water well used only for
22 agriculture, as that term is defined by Section 36.001, Water Code,
23 the district may not:

- 24 (1) assess or collect a fee of any type; or
25 (2) require that a meter be placed on the well. (Acts

26 78th Leg., R.S., Ch. 772, Secs. 11(b), (c).)

27 Source Law

28 (b) For a new or existing water well on private
29 property that serves only a single-family dwelling
30 used only for domestic purposes, the district may not:

- 31 (1) assess or collect a fee of any type; or
32 (2) require that a meter be placed on the
33 well.

34 (c) For a new or existing water well used only
35 for agriculture, as that term is defined by Section
36 36.001, Water Code, the district may not:

- 37 (1) assess or collect a fee of any type; or
38 (2) require that a meter be placed on the
39 well.

40 [Sections 8826.104-8826.150 reserved for expansion]

41 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

42 Revised Law

43 Sec. 8826.151. FEES. Unless exempt under this chapter or

1 Chapter 36, Water Code, the board may establish by schedule and
2 impose:

- 3 (1) a production fee under Section 36.205, Water Code;
4 (2) an export fee for groundwater transferred out of
5 the district in an amount not to exceed 150 percent of the maximum
6 wholesale water rate charged by the City of Houston; and
7 (3) other fees as authorized by Chapter 36, Water
8 Code. (Acts 78th Leg., R.S., Ch. 772, Sec. 12.)

9 Source Law

10 Sec. 12. Unless exempt under this Act or Chapter
11 36, Water Code, the board may establish by schedule and
12 impose:

- 13 (1) a production fee under Section 36.205,
14 Water Code;
15 (2) an export fee for groundwater
16 transferred out of the district in an amount not to
17 exceed 150 percent of the maximum wholesale water rate
18 charged by the City of Houston; and
19 (3) other fees as authorized by Chapter
20 36, Water Code.

21 Revisor's Note
22 (End of Chapter)

23 (1) Section 13, Chapter 772, Acts of the 78th
24 Legislature, Regular Session, 2003, recites
25 legislative findings regarding procedural
26 requirements for legislation affecting the district
27 under the constitution and other laws and rules,
28 including proper legal notice and the filing of
29 recommendations. The revised law omits those
30 provisions as executed. The omitted law reads:

31 Sec. 13. (a) The proper and legal
32 notice of the intention to introduce this
33 Act, setting forth the general substance of
34 this Act, has been published as provided by
35 law, and the notice and a copy of this Act
36 have been furnished to all persons,
37 agencies, officials, or entities to which
38 they are required to be furnished by the
39 constitution and other laws of this state,
40 including the governor, who has submitted
41 the notice and Act to the Texas Commission
42 on Environmental Quality.

43 (b) The Texas Commission on
44 Environmental Quality has filed its
45 recommendations relating to this Act with
46 the governor, lieutenant governor, and
47 speaker of the house of representatives
48 within the required time.

49 (c) All requirements of the

1 constitution and laws of this state and the
2 rules and procedures of the legislature
3 with respect to notice, introduction, and
4 passage of this Act are fulfilled and
5 accomplished.

6 (2) Section 15(b), Chapter 772, Acts of the 78th
7 Legislature, Regular Session, 2003, contains
8 transition language regarding the expiration of the
9 act if the district is not confirmed at a confirmation
10 election before a certain date. The revised law omits
11 the provision as executed because the district was
12 confirmed within the required period. The omitted law
13 reads:

14 (b) If the creation of the district
15 is not confirmed at a confirmation election
16 held under Section 9 of this Act before
17 December 31, 2006, this Act expires on that
18 date.

19 CHAPTER 8827. BREWSTER COUNTY GROUNDWATER CONSERVATION DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8827.001. DEFINITIONS 2085
22 Sec. 8827.002. NATURE OF DISTRICT 2085
23 Sec. 8827.003. FINDINGS OF PUBLIC USE AND BENEFIT 2086
24 Sec. 8827.004. DISTRICT TERRITORY 2086
25 Sec. 8827.005. DISTRICT NAME CHANGE 2087

26 [Sections 8827.006-8827.050 reserved for expansion]

27 SUBCHAPTER B. BOARD OF DIRECTORS

28 Sec. 8827.051. COMPOSITION OF BOARD; TERMS 2089
29 Sec. 8827.052. APPOINTMENT OF DIRECTORS 2091
30 Sec. 8827.053. BOARD VACANCY 2091
31 Sec. 8827.054. COMPENSATION; EXPENSES 2091

32 [Sections 8827.055-8827.100 reserved for expansion]

33 SUBCHAPTER C. POWERS AND DUTIES

34 Sec. 8827.101. GROUNDWATER CONSERVATION DISTRICT
35 POWERS AND DUTIES 2092
36 Sec. 8827.102. LIMITATIONS ON DISTRICT POWERS RELATING
37 TO REAL PROPERTY 2093
38 Sec. 8827.103. GROUNDWATER TRANSFER RESTRICTIONS AND
39 FEES 2093

1 CHAPTER 8827. BREWSTER COUNTY GROUNDWATER CONSERVATION DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Revised Law

4 Sec. 8827.001. DEFINITIONS. In this chapter:

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

6 (2) "Commissioners court" means the Brewster County
7 Commissioners Court.

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

9 (4) "District" means the Brewster County Groundwater
10 Conservation District. (Acts 77th Leg., R.S., Ch. 1291, Sec. 2;
11 New.)

12 Source Law

13 Sec. 2. In this Act, "district" means the
14 Brewster County Groundwater Conservation District.

15 Revisor's Note

16 The definitions of "board," "commissioners
17 court," and "director" are added to the revised law for
18 drafting convenience and to eliminate frequent,
19 unnecessary repetition of the substance of the
20 definitions.

21 Revised Law

22 Sec. 8827.002. NATURE OF DISTRICT. The district is a
23 groundwater conservation district in Brewster County created under
24 and essential to accomplish the purposes of Section 59, Article
25 XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1291, Secs.
26 1(a) (part), (b).)

27 Source Law

28 Sec. 1. (a) A groundwater conservation
29 district, to be known as the Brewster County
30 Groundwater Conservation District, is created in
31 Brewster County,

32 (b) The district is created under and is
33 essential to accomplish the purposes of Section 59,
34 Article XVI, Texas Constitution.

35 Revisor's Note

36 (1) Section 1(a), Chapter 1291, Acts of the 77th
37 Legislature, Regular Session, 2001, refers to a
38 confirmation election. Because the confirmation

1 election has already been held, the revised law omits
2 the provision as executed. The omitted law reads:

3 (a) . . . subject to approval at a
4 confirmation election under Section 9 of
5 this Act. . . .

6 (2) Section 1(a), Chapter 1291, Acts of the 77th
7 Legislature, Regular Session, 2001, provides that the
8 district is a governmental agency and a body politic
9 and corporate. The revised law omits the provision
10 because it duplicates a portion of Section 59(b),
11 Article XVI, Texas Constitution, which provides that a
12 conservation and reclamation district is a
13 governmental agency and a body politic and corporate.
14 The omitted law reads:

15 (a) . . . The district is a
16 governmental agency and a body politic and
17 corporate.

18 Revised Law

19 Sec. 8827.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
20 district is created to serve a public use and benefit.

21 (b) All land and other property included in the district
22 will benefit from the works and projects accomplished by the
23 district under the powers conferred by Section 59, Article XVI,
24 Texas Constitution. (Acts 77th Leg., R.S., Ch. 1291, Sec. 4.)

25 Source Law

26 Sec. 4. All of the land and other property
27 included within the boundaries of the district will be
28 benefited by the works and projects that are to be
29 accomplished by the district under powers conferred by
30 Section 59, Article XVI, Texas Constitution. The
31 district is created to serve a public use and benefit.

32 Revised Law

33 Sec. 8827.004. DISTRICT TERRITORY. The district's
34 boundaries are coextensive with the boundaries of Brewster County
35 unless the district's territory has been modified under:

36 (1) Subchapter J, Chapter 36, Water Code; or

37 (2) other law. (Acts 77th Leg., R.S., Ch. 1291, Sec.
38 3; New.)

1 Legislature, Regular Session, 2001, provides that
2 certain provisions of the Water Code prevail over a
3 conflicting or inconsistent provision of the act.
4 Chapter 36, Water Code, applies to the district under
5 Section 8827.101 of this chapter and Section
6 36.001(1), Water Code. The revised law omits Section
7 5(b) because it substantially duplicates Section
8 36.052, Water Code, which provides that the same
9 provisions of the Water Code provided for under
10 Section 5(b), in addition to Section 36.107, Water
11 Code, prevail over a conflicting or inconsistent
12 provision of a special law that governs a specific
13 district. Although Section 5(b) does not reference
14 Section 36.107, Water Code, that section of Chapter 36
15 is not in conflict, or inconsistent, with any
16 provision of this chapter. The omitted law reads:

17 (b) Notwithstanding Subsection (a),
18 the following provisions prevail over a
19 conflicting or inconsistent provision of
20 this Act:

21 (1) Sections 36.1071-36.108,
22 Water Code;

23 (2) Sections 36.159-36.161,
24 Water Code; and

25 (3) Subchapter I, Chapter 36,
26 Water Code.

27 (3) Section 9, Chapter 1291, Acts of the 77th
28 Legislature, Regular Session, 2001, provides
29 procedures for holding an election to confirm the
30 establishment of the district. Because the district
31 has been confirmed, the revised law omits those
32 provisions as executed. The omitted law reads:

33 Sec. 9. (a) The initial board of
34 directors shall call and hold an election to
35 confirm establishment of the district.

36 (b) Section 41.001(a), Election
37 Code, does not apply to a confirmation
38 election held as provided by this section.

39 (c) If a majority of the votes cast at
40 the election favor the establishment of the
41 district, the temporary directors shall
42 declare the district created. If a majority
43 of the votes cast at the election are
44 against the establishment of the district,
45 the temporary directors shall declare the

1 district defeated. The temporary directors
2 shall file a copy of the election results
3 with the Texas Natural Resource
4 Conservation Commission.

5 (d) If a majority of the votes cast at
6 the election are against the establishment
7 of the district, the temporary directors
8 may call and hold a subsequent election to
9 confirm establishment of the district. A
10 subsequent election may not be held earlier
11 than the first anniversary of the date on
12 which the previous election was held. If the
13 establishment of the district is not
14 confirmed at an election held under this
15 section on or before the second anniversary
16 of the effective date of this Act, this Act
17 expires.

18 (e) Except as provided by this
19 section, a confirmation election must be
20 conducted as provided by Sections
21 36.017(b)-(h), Water Code, and the Election
22 Code.

23 [Sections 8827.006-8827.050 reserved for expansion]

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Revised Law

26 Sec. 8827.051. COMPOSITION OF BOARD; TERMS. (a) The
27 district is governed by a board of seven directors appointed by the
28 commissioners court.

29 (b) The board is composed of:

30 (1) three directors who represent the municipalities
31 or population centers of Alpine, Lajitas, Marathon, Study Butte,
32 and Terlingua;

33 (2) three directors who represent the rural part of
34 Brewster County, exclusive of the municipalities or population
35 centers of Alpine, Lajitas, Marathon, Study Butte, and Terlingua;
36 and

37 (3) one director who represents Brewster County at
38 large.

39 (c) A director described by Subsection (b)(1) must reside in
40 or in the immediate area of a municipality or population center
41 listed in that subsection.

42 (d) At least one director must reside in each county
43 commissioners precinct.

44 (e) Directors serve staggered three-year terms. (Acts 77th
45 Leg., R.S., Ch. 1291, Secs. 7(a), (b), (c), (d), (f).)

1 executed because the terms of the initial directors
2 have expired.

3 (4) Section 7(g), Chapter 1291, Acts of the 77th
4 Legislature, Regular Session, 2001, provides that a
5 director serves until a successor has qualified. The
6 revised law omits the provision because it duplicates
7 Section 17, Article XVI, Texas Constitution, which
8 provides that an officer in this state continues to
9 perform the officer's official duties until a
10 successor has qualified. The omitted law reads:

11 (g) A director serves until the
12 director's successor has qualified.

13 Revised Law

14 Sec. 8827.052. APPOINTMENT OF DIRECTORS. The commissioners
15 court shall appoint a director to succeed a director on or before
16 the date the director's term expires. (Acts 77th Leg., R.S., Ch.
17 1291, Sec. 7(i).)

18 Source Law

19 (i) The commissioners court shall appoint a
20 director to succeed a director on or before the date
21 the director's term expires.

22 Revised Law

23 Sec. 8827.053. BOARD VACANCY. If there is a vacancy on the
24 board, the commissioners court shall appoint a director to serve
25 the remainder of the term. (Acts 77th Leg., R.S., Ch. 1291, Sec.
26 7(h).)

27 Source Law

28 (h) If there is a vacancy on the board, the
29 commissioners court shall appoint a director to serve
30 the remainder of the term.

31 Revised Law

32 Sec. 8827.054. COMPENSATION; EXPENSES. A director may not
33 receive a salary or other compensation for service as a director but
34 may be reimbursed for actual expenses of attending meetings at the
35 rate in effect for employees of Brewster County. (Acts 77th Leg.,
36 R.S., Ch. 1291, Sec. 7(j).)

1 in context, "authority" is included in the meaning of
2 "rights, powers, [and] privileges."

3 Revised Law

4 Sec. 8827.102. LIMITATIONS ON DISTRICT POWERS RELATING TO
5 REAL PROPERTY. Notwithstanding other law:

6 (1) the district may not exercise the power of eminent
7 domain; and

8 (2) an agent or employee of the district may not enter
9 private property without the permission of the landowner or the
10 landowner's agent except to inspect a permitted well and to ensure
11 compliance with district rules. (Acts 77th Leg., R.S., Ch. 1291,
12 Sec. 6.)

13 Source Law

14 Sec. 6. Notwithstanding other law or another
15 provision of this Act:

16 (1) the district may not exercise the
17 power of eminent domain; and

18 (2) an agent or employee of the district
19 may not enter private property without the permission
20 of the landowner or the landowner's agent except to
21 inspect a permitted well and to ensure compliance with
22 district rules.

23 Revised Law

24 Sec. 8827.103. GROUNDWATER TRANSFER RESTRICTIONS AND FEES.

25 (a) The district may limit and impose fees on the transfer of
26 groundwater out of the district if, after public notice and a
27 hearing and in accordance with district rules, the district finds
28 that restrictions or fees on transfer are in the district's best
29 interests.

30 (b) In making the determination under Subsection (a), the
31 district shall consider:

32 (1) the availability of water in the district and in
33 the receiving area during the period for which the proposed water
34 transfer is requested;

35 (2) the availability of feasible and practicable
36 alternative supplies to the applicant proposing the transfer;

37 (3) the amount and proposed use of the transferred
38 water in the receiving area;

1 (4) the projected effect of the proposed transfer on
2 aquifer conditions, depletion, or subsidence or effects on existing
3 permit holders or other groundwater users within the district;

4 (5) the projected environmental and economic effects
5 on the district; and

6 (6) the compatibility of the proposed transfer with
7 the approved regional plan and certified district management plan.

8 (Acts 77th Leg., R.S., Ch. 1291, Sec. 5(c).)

9 Source Law

10 (c) The district has the power to limit and to
11 impose fees on the transfer of groundwater out of the
12 district if, after public notice and a hearing and in
13 accordance with district rules, the district finds
14 that restrictions or fees on transfer are in the
15 district's best interests. In making the
16 determination, the district shall consider:

17 (1) the availability of water in the
18 district and in the receiving area during the period
19 for which the proposed water transfer is requested;

20 (2) the availability of feasible and
21 practicable alternative supplies to the applicant
22 proposing the transfer;

23 (3) the amount and proposed use of the
24 transferred water in the receiving area;

25 (4) the projected effect of the proposed
26 transfer on aquifer conditions, depletion,
27 subsidence, or effects on existing permit holders or
28 other groundwater users within the district;

29 (5) the projected environmental and
30 economic effects on the district; and

31 (6) the compatibility of the proposed
32 transfer with the approved regional plan and certified
33 district management plan.

34 Revisor's Note
35 (End of Chapter)

36 Section 11, Chapter 1291, Acts of the 77th
37 Legislature, Regular Session, 2001, recites
38 legislative findings regarding procedural
39 requirements for legislation affecting the district
40 under the constitution and other laws and rules,
41 including proper legal notice and the filing of
42 recommendations. The revised law omits those
43 provisions as executed. The omitted law reads:

44 Sec. 11. (a) The proper and legal
45 notice of the intention to introduce this
46 Act, setting forth the general substance of
47 this Act, has been published as provided by
48 law, and the notice and a copy of this Act
49 have been furnished to all persons,

1 agencies, officials, or entities to which
2 they are required to be furnished by the
3 constitution and other laws of this state,
4 including the governor, who has submitted
5 the notice and Act to the Texas Natural
6 Resource Conservation Commission.

7 (b) The Texas Natural Resource
8 Conservation Commission has filed its
9 recommendations relating to this Act with
10 the governor, lieutenant governor, and
11 speaker of the house of representatives
12 within the required time.

13 (c) All requirements of the
14 constitution and laws of this state and the
15 rules and procedures of the legislature
16 with respect to the notice, introduction,
17 and passage of this Act are fulfilled and
18 accomplished.

19 CHAPTER 8828. CLEAR FORK GROUNDWATER CONSERVATION DISTRICT

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8828.001. DEFINITIONS 2096
22 Sec. 8828.002. NATURE OF DISTRICT 2096
23 Sec. 8828.003. FINDINGS OF PUBLIC USE AND BENEFIT 2097
24 Sec. 8828.004. DISTRICT TERRITORY 2097
25 Sec. 8828.005. DISTRICT NAME CHANGE 2098
26 Sec. 8828.006. CONFLICTS OF LAW 2098

27 [Sections 8828.007-8828.050 reserved for expansion]

28 SUBCHAPTER B. BOARD OF DIRECTORS

29 Sec. 8828.051. COMPOSITION OF BOARD; TERMS 2100
30 Sec. 8828.052. ELECTION OF DIRECTORS 2101
31 Sec. 8828.053. ELECTION DATE 2102
32 Sec. 8828.054. QUALIFICATIONS FOR OFFICE 2104
33 Sec. 8828.055. BOARD VACANCY 2104

34 [Sections 8828.056-8828.100 reserved for expansion]

35 SUBCHAPTER C. POWERS AND DUTIES

36 Sec. 8828.101. GROUNDWATER CONSERVATION DISTRICT
37 POWERS AND DUTIES 2105
38 Sec. 8828.102. NO EMINENT DOMAIN POWER 2106

39 [Sections 8828.103-8828.150 reserved for expansion]

40 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

41 Sec. 8828.151. DISTRICT REVENUE 2106

1 CHAPTER 8828. CLEAR FORK GROUNDWATER CONSERVATION DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Revised Law

4 Sec. 8828.001. DEFINITIONS. In this chapter:

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

6 (2) "Director" means a board member.

7 (3) "District" means the Clear Fork Groundwater
8 Conservation District. (Acts 77th Leg., R.S., Ch. 1474, Sec. 2;
9 New.)

10 Source Law

11 Sec. 2. In this Act, "district" means the Clear
12 Fork Groundwater Conservation District.

13 Revisor's Note

14 The definitions of "board" and "director" are
15 added to the revised law for drafting convenience and
16 to eliminate frequent, unnecessary repetition of the
17 substance of the definition.

18 Revised Law

19 Sec. 8828.002. NATURE OF DISTRICT. The district is a
20 groundwater conservation district in Fisher County created under
21 and essential to accomplish the purposes of Section 59, Article
22 XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1474, Secs.
23 1(a) (part), (b).)

24 Source Law

25 Sec. 1. (a) A groundwater conservation
26 district, to be known as the Clear Fork Groundwater
27 Conservation District, is created in Fisher
28 County,

29 (b) The district is created under and is
30 essential to accomplish the purposes of Section 59,
31 Article XVI, Texas Constitution.

32 Revisor's Note

33 (1) Section 1(a), Chapter 1474, Acts of the 77th
34 Legislature, Regular Session, 2001, refers to a
35 confirmation election. Because the confirmation
36 election has already been held, the revised law omits
37 the provision as executed. The omitted law reads:

38 (a) . . . subject to approval at a

1 confirmation election under Section 9 of
2 this Act. . . .

3 (2) Section 1(a), Chapter 1474, Acts of the 77th
4 Legislature, Regular Session, 2001, provides that the
5 district is a governmental agency and a body politic
6 and corporate. The revised law omits the provision
7 because it duplicates a portion of Section 59(b),
8 Article XVI, Texas Constitution, which provides that a
9 conservation and reclamation district is a
10 governmental agency and a body politic and corporate.
11 The omitted law reads:

12 (a) . . . The district is a
13 governmental agency and a body politic and
14 corporate.

15 Revised Law

16 Sec. 8828.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
17 district is created to serve a public use and benefit.

18 (b) All land and other property included in the district
19 will benefit from the works and projects accomplished by the
20 district under the powers conferred by Section 59, Article XVI,
21 Texas Constitution. (Acts 77th Leg., R.S., Ch. 1474, Sec. 4.)

22 Source Law

23 Sec. 4. All of the land and other property
24 included within the boundaries of the district will be
25 benefited by the works and projects that are to be
26 accomplished by the district under powers conferred by
27 Section 59, Article XVI, Texas Constitution. The
28 district is created to serve a public use and benefit.

29 Revised Law

30 Sec. 8828.004. DISTRICT TERRITORY. The district's
31 boundaries are coextensive with the boundaries of Fisher County,
32 Texas, unless the district's territory has been modified under:

- 33 (1) Subchapter J, Chapter 36, Water Code; or
34 (2) other law. (Acts 77th Leg., R.S., Ch. 1474, Sec.
35 3; New.)

36 Source Law

37 Sec. 3. The boundaries of the district are
38 coextensive with the boundaries of Fisher County,
39 Texas.

1 Revisor's Note

2 The revision of the law governing the district
3 revises the statutory language describing the
4 territory of the district. Because the district's
5 boundaries are subject to change, that description may
6 not be accurate on the effective date of the revision
7 or at the time of a later reading. For the reader's
8 convenience, the revised law includes a reference to
9 the authority to change the district's territory under
10 Subchapter J, Chapter 36, Water Code, applicable to
11 groundwater conservation districts, and to the general
12 authority of the legislature to enact other laws to
13 change the district's territory.

14 Revised Law

15 Sec. 8828.005. DISTRICT NAME CHANGE. The board may change
16 the district's name when the district annexes territory. (Acts
17 77th Leg., R.S., Ch. 1474, Sec. 13.)

18 Source Law

19 Sec. 13. The board of directors may change the
20 district's name when the district annexes territory.

21 Revised Law

22 Sec. 8828.006. CONFLICTS OF LAW. (a) Except as otherwise
23 provided by this chapter, if there is a conflict between this
24 chapter and Chapter 36 or 49, Water Code, this chapter controls.

25 (b) If there is a conflict between Chapters 36 and 49, Water
26 Code, Chapter 36 controls. (Acts 77th Leg., R.S., Ch. 1474, Sec.
27 12.)

28 Source Law

29 Sec. 12. Except as otherwise provided by this
30 Act, if there is a conflict between this Act and
31 Chapter 36 or 49, Water Code, this Act controls. If
32 there is a conflict between Chapters 36 and 49, Water
33 Code, Chapter 36 controls.

34 Revisor's Note
35 (End of Subchapter)

36 (1) Section 5(a), Chapter 1474, Acts of the 77th
37 Legislature, Regular Session, 2001, provides that the

1 act prevails over general law in case of a conflict or
2 other inconsistency. The revised law omits the
3 provision because it duplicates, in substance, Section
4 311.026, Government Code (Code Construction Act). The
5 omitted law reads:

6 (a) . . . This Act prevails over any
7 provision of general law that is in conflict
8 or inconsistent with this Act.

9 (2) Section 9, Chapter 1474, Acts of the 77th
10 Legislature, Regular Session, 2001, provides
11 procedures for holding an election to confirm the
12 establishment and taxing authority of the district and
13 to elect the initial directors of the district.
14 Because the district and its taxing authority have
15 been confirmed and its initial directors have been
16 elected, the revised law omits those provisions as
17 executed. The omitted law reads:

18 Sec. 9. (a) The temporary board of
19 directors shall call and hold an election to
20 confirm establishment of the district, to
21 confirm the district's taxing authority,
22 and to elect initial directors. The initial
23 confirmation election must be held:

24 (1) before the second
25 anniversary of the effective date of this
26 Act; and

27 (2) concurrently with another
28 election held by a political subdivision.

29 (b) At the confirmation and initial
30 directors' election, the temporary board of
31 directors shall have placed on the ballot
32 the name of any candidate filing for an
33 initial director's position and blank
34 spaces to write in the names of other
35 persons. A temporary director who is
36 qualified to be a candidate under Section 8
37 of this Act may file for an initial
38 director's position.

39 (c) If the district is created at the
40 election, the temporary board of directors,
41 at the time the vote is canvassed, shall:

42 (1) declare the qualified
43 person who receives the most votes for each
44 position to be elected as the initial
45 director for that position; and

46 (2) include the results of the
47 initial directors' election in the
48 district's election report to the Texas
49 Natural Resource Conservation Commission.

50 (d) Section 41.001(a), Election
51 Code, does not apply to a confirmation and
52 initial directors' election held as
53 provided by this section.

1 (e) Except as provided by this
2 section, a confirmation and initial
3 directors' election must be conducted as
4 provided by Sections 36.017(b)-(h), Water
5 Code, and the Election Code.

6 (f) If the initial confirmation
7 election fails to confirm the district, the
8 temporary board of directors may hold
9 additional confirmation elections as it
10 deems necessary no less than one year apart
11 and in accordance with other provisions of
12 this section.

13 (g) If the creation of the district
14 is not confirmed at a confirmation election
15 held under this section before the fourth
16 anniversary of the effective date of this
17 Act, this Act expires on that date.

18 [Sections 8828.007-8828.050 reserved for expansion]

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Revised Law

21 Sec. 8828.051. COMPOSITION OF BOARD; TERMS. (a) The
22 district is governed by a board of five directors.

23 (b) Directors serve staggered four-year terms. (Acts 77th
24 Leg., R.S., Ch. 1474, Secs. 6(a), (d).)

25 Source Law

26 Sec. 6. (a) The district is governed by a board
27 of five directors.

28 (d) Permanent directors serve staggered
29 four-year terms.

30 Revisor's Note

31 (1) Section 6(d), Chapter 1474, Acts of the 77th
32 Legislature, Regular Session, 2001, refers to
33 "permanent" directors to distinguish between the
34 "temporary" directors, the "initial" directors who
35 immediately succeeded the "temporary" directors after
36 the first election of directors, and subsequently
37 serving directors. Because the revised law omits
38 provisions regarding "temporary" and "initial"
39 directors as executed (see the revisor's notes at the
40 end of this subchapter), the revised law also omits
41 "permanent" because it does not contribute to the
42 clear meaning of the law.

43 (2) Section 6(e), Chapter 1474, Acts of the 77th
44 Legislature, Regular Session, 2001, provides that a

1 director must qualify to serve in the manner provided
2 by Section 36.055, Water Code. The revised law omits
3 this provision because Section 36.055, Water Code,
4 applies to the district under Section 8828.101 of this
5 chapter and Section 36.001(1), Water Code. The
6 omitted law reads:

7 (e) Each director must qualify to
8 serve as director in the manner provided by
9 Section 36.055, Water Code.

10 (3) Section 6(f), Chapter 1474, Acts of the 77th
11 Legislature, Regular Session, 2001, provides that a
12 director serves until a successor has qualified. The
13 revised law omits the provision because it duplicates
14 Section 17, Article XVI, Texas Constitution, which
15 provides that an officer in this state continues to
16 perform the officer's official duties until a
17 successor has qualified. The omitted law reads:

18 (f) A director serves until the
19 director's successor has qualified.

20 Revised Law

21 Sec. 8828.052. ELECTION OF DIRECTORS. (a) Directors are
22 elected according to the commissioners precinct method as provided
23 by this section.

24 (b) One director is elected by the voters of the entire
25 district. One director is elected from each county commissioners
26 precinct by the voters of that precinct.

27 (c) A person shall indicate on the application for a place
28 on the ballot:

29 (1) the precinct that the person seeks to represent;
30 or

31 (2) that the person seeks to represent the district at
32 large.

33 (d) At the first election of the district after the county
34 commissioners precincts are redrawn under Section 18, Article V,
35 Texas Constitution, a new director is elected from each precinct.
36 The directors shall draw lots to determine which two directors

1 shall serve two-year terms and which two directors shall serve
2 four-year terms. (Acts 77th Leg., R.S., Ch. 1474, Secs. 8(a), (b),
3 (d), (e).)

4 Source Law

5 Sec. 8. (a) The directors of the district shall
6 be elected according to the commissioners precinct
7 method as provided by this section.

8 (b) One director shall be elected by the
9 electors of the entire district, and one director
10 shall be elected from each county commissioners
11 precinct by the electors of that precinct.

12 (d) A person shall indicate on the application
13 for a place on the ballot:

14 (1) the precinct that the person seeks to
15 represent; or

16 (2) that the person seeks to represent the
17 district at large.

18 (e) At the first election of the district after
19 the county commissioners precincts are redrawn under
20 Section 18, Article V, Texas Constitution, four new
21 directors shall be elected to represent the precincts.
22 The directors elected shall draw lots to determine
23 which two directors serve two-year terms and which two
24 directors serve four-year terms.

25 Revisor's Note

26 Section 8(b), Chapter 1474, Acts of the 77th
27 Legislature, Regular Session, 2001, refers to the
28 "electors" of the entire district or of a county
29 commissioners precinct in the district. The revised
30 law substitutes "voters" for "electors" because the
31 former is the term used in the Election Code.

32 Revised Law

33 Sec. 8828.053. ELECTION DATE. The district shall hold an
34 election in the district to elect directors on the uniform election
35 date in May of each even-numbered year. (Acts 77th Leg., R.S., Ch.
36 1474, Sec. 10(b).)

37 Source Law

38 (b) On the first Saturday in May of each
39 subsequent second year following the election, the
40 appropriate number of directors shall be elected.

41 Revisor's Note

42 (1) Section 10(a), Chapter 1474, Acts of the
43 77th Legislature, Regular Session, 2001, prescribes
44 the election date for the first directors' election

1 following the confirmation election. Because the
2 district has been confirmed and its first permanent
3 directors have been elected, the revised law omits
4 this provision as executed. The omitted law reads:

5 Sec. 10. (a) On the first Saturday
6 in May of the second year after the year in
7 which the district is authorized to be
8 created at a confirmation election, an
9 election shall be held in the district for
10 the election of directors for Precincts 1
11 and 3 to serve two-year terms and directors
12 for Precincts 2 and 4 and for the district
13 at large to serve four-year terms.

14 (2) Section 10(b), Chapter 1474, Acts of the
15 77th Legislature, Regular Session, 2001, required
16 board elections on the "first Saturday in May of each
17 subsequent second year following the election,"
18 meaning the first election of permanent directors (see
19 Revisor's Note (1)). From 1987 to 2003, Section
20 41.001, Election Code, provided for a uniform election
21 date for all political subdivisions on the first
22 Saturday in May. Chapter 1315, Acts of the 78th
23 Legislature, Regular Session, 2003, amended Section
24 41.001 to change the uniform election date in May to
25 the third Saturday in May. Chapter 1, Acts of the 78th
26 Legislature, 3rd Called Session, 2003, amended Section
27 41.001 to change the uniform election date in May back
28 to the first Saturday in May. Chapter 471, Acts of the
29 79th Legislature, Regular Session, 2005, amended
30 Section 41.001 to change the uniform election date in
31 May to the second Saturday in May. The revised law
32 substitutes "uniform election date in May" for "first
33 Saturday in May" to reflect those changes and to
34 preserve the legislative intent that the election be
35 held on the uniform election date in May.

36 The revised law also substitutes "each
37 even-numbered year" for "each subsequent second year
38 following the election" because the confirmation

1 election was held November 5, 2002, and the first
2 election of permanent directors was held on May 1,
3 2004, an even-numbered year. As a result, subsequent
4 directors' elections will be held in even-numbered
5 years.

6 Revised Law

7 Sec. 8828.054. QUALIFICATIONS FOR OFFICE. (a) To be
8 qualified to be a candidate for or to serve as director at large, a
9 person must be a registered voter in the district.

10 (b) To be a candidate for or to serve as director from a
11 county commissioners precinct, a person must be a registered voter
12 of that precinct. (Acts 77th Leg., R.S., Ch. 1474, Sec. 8(c).)

13 Source Law

14 (c) To be qualified to be a candidate for or to
15 serve as director at large, a person must be a
16 registered voter in the district. To be a candidate
17 for or to serve as director from a county commissioners
18 precinct, a person must be a registered voter of that
19 precinct.

20 Revised Law

21 Sec. 8828.055. BOARD VACANCY. (a) The board shall appoint
22 a replacement to fill a vacancy in the office of any director.

23 (b) The appointed replacement serves until the next
24 directors' election.

25 (c) If the position is not scheduled to be filled at the next
26 election, the person elected to fill the position serves only for
27 the remainder of the unexpired term. (Acts 77th Leg., R.S., Ch.
28 1474, Sec. 6(g).)

29 Source Law

30 (g) A vacancy in the office of director shall be
31 filled by appointment of the board until the next
32 election for directors. If the position is not
33 scheduled to be filled at the next election, the person
34 elected in that election to fill the position shall
35 serve only for the remainder of the unexpired term.

36 Revisor's Note
37 (End of Subchapter)

38 (1) Sections 6(b) and (c), Chapter 1474, Acts of
39 the 77th Legislature, Regular Session, 2001, refer to
40 "temporary" and "initial" directors of the district

1 and to elections under Sections 9 and 10 of that
2 chapter. The revised law omits Sections 6(b) and (c)
3 as executed because the terms of the temporary and
4 initial directors have expired and the initial
5 election for permanent directors has been held. The
6 omitted law reads:

7 (b) Temporary directors serve until
8 initial directors are elected under Section
9 9 of this Act.

10 (c) Initial directors serve until
11 permanent directors are elected under
12 Section 10 of this Act.

13 (2) Section 7, Chapter 1474, Acts of the 77th
14 Legislature, Regular Session, 2001, names the
15 temporary directors and provides for filling vacancies
16 on the temporary board. Because the terms of the
17 temporary directors have expired, the revised law
18 omits those provisions as executed. The omitted law
19 reads:

20 Sec. 7. (a) The temporary board of
21 directors consists of:

- 22 (1) Ted Posey;
- 23 (2) Jimmy Counts;
- 24 (3) Freddie Stuart;
- 25 (4) Justin Hansard; and
- 26 (5) Jeff Posey.

27 (b) If a temporary director fails to
28 qualify for office, the temporary directors
29 who have qualified shall appoint a person to
30 fill the vacancy. If at any time there are
31 fewer than three qualified temporary
32 directors, the Texas Natural Resource
33 Conservation Commission shall appoint the
34 necessary number of persons to fill all
35 vacancies on the board.

36 [Sections 8828.056-8828.100 reserved for expansion]

37 SUBCHAPTER C. POWERS AND DUTIES

38 Revised Law

39 Sec. 8828.101. GROUNDWATER CONSERVATION DISTRICT POWERS
40 AND DUTIES. Except as provided by this chapter, the district has
41 the rights, powers, privileges, functions, and duties provided by
42 the general law of this state, including Chapter 36, Water Code,
43 applicable to groundwater conservation districts created under
44 Section 59, Article XVI, Texas Constitution. (Acts 77th Leg.,

1 R.S., Ch. 1474, Sec. 5(a) (part).)

2 Source Law

3 Sec. 5. (a) Except as provided by this Act, the
4 district has all of the rights, powers, privileges,
5 authority, functions, and duties provided by the
6 general law of this state, including Chapter 36, Water
7 Code, applicable to groundwater conservation
8 districts created under Section 59, Article XVI, Texas
9 Constitution. . . .

10 Revisor's Note

11 Section 5(a), Chapter 1474, Acts of the 77th
12 Legislature, Regular Session, 2001, refers to the
13 "rights, powers, privileges, [and] authority" of the
14 district. The revised law omits the reference to
15 "authority" because, in context, "authority" is
16 included in the meaning of "rights, powers, [and]
17 privileges."

18 Revised Law

19 Sec. 8828.102. NO EMINENT DOMAIN POWER. The district does
20 not have the power of eminent domain. (Acts 77th Leg., R.S., Ch.
21 1474, Sec. 5(b).)

22 Source Law

23 (b) The district does not have the power of
24 eminent domain.

25 [Sections 8828.103-8828.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Revised Law

28 Sec. 8828.151. DISTRICT REVENUE. To pay the district's
29 maintenance and operating costs, the district may:

30 (1) impose an ad valorem tax at a rate not to exceed
31 five cents for each \$100 of taxable value of property in the
32 district;

33 (2) assess general production fees;

34 (3) solicit and accept grants from any public or
35 private source; and

36 (4) assess a transfer fee on water exported from the
37 district. (Acts 77th Leg., R.S., Ch. 1474, Sec. 11.)

1 Sec. 8829.005. DISTRICT NAME CHANGE 2110

2 Sec. 8829.006. CONFLICTS OF LAW 2111

3 [Sections 8829.007-8829.050 reserved for expansion]

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8829.051. COMPOSITION OF BOARD; TERMS 2112

6 Sec. 8829.052. ELECTION OF DIRECTORS 2114

7 Sec. 8829.053. ELECTION DATE 2115

8 Sec. 8829.054. QUALIFICATIONS FOR OFFICE 2116

9 Sec. 8829.055. BOARD VACANCY 2116

10 Sec. 8829.056. COMPOSITION OF BOARD AND ELECTION OF

11 DIRECTORS FOLLOWING ANNEXATION 2117

12 Sec. 8829.057. REVISION OF VOTING DISTRICTS 2118

13 [Sections 8829.058-8829.100 reserved for expansion]

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 8829.101. GROUNDWATER CONSERVATION DISTRICT

16 POWERS AND DUTIES 2120

17 Sec. 8829.102. REGIONAL COOPERATION 2121

18 [Sections 8829.103-8829.150 reserved for expansion]

19 SUBCHAPTER D. FINANCIAL PROVISIONS

20 Sec. 8829.151. DISTRICT REVENUE 2123

21 CHAPTER 8829. COASTAL BEND GROUNDWATER CONSERVATION DISTRICT

22 SUBCHAPTER A. GENERAL PROVISIONS

23 Revised Law

24 Sec. 8829.001. DEFINITIONS. In this chapter:

- 25 (1) "Board" means the district's board of directors.
- 26 (2) "Director" means a board member.
- 27 (3) "District" means the Coastal Bend Groundwater

28 Conservation District. (Acts 77th Leg., R.S., Ch. 1294, Sec. 2;
29 New.)

30 Source Law

31 Sec. 2. In this Act, "district" means the
32 Coastal Bend Groundwater Conservation District.

33 Revisor's Note

34 The definitions of "board" and "director" are
35 added to the revised law for drafting convenience and

1 to eliminate frequent, unnecessary repetition of the
2 substance of the definitions.

3 Revised Law

4 Sec. 8829.002. NATURE OF DISTRICT. The district is a
5 groundwater conservation district in Wharton County created under
6 and essential to accomplish the purposes of Section 59, Article
7 XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1294, Secs.
8 1(a) (part), (b).)

9 Source Law

10 Sec. 1. (a) A groundwater conservation
11 district, to be known as the Coastal Bend Groundwater
12 Conservation District, is created in Wharton County,
13
14 (b) The district is created under and is
15 essential to accomplish the purposes of Section 59,
16 Article XVI, Texas Constitution.

17 Revisor's Note

18 (1) Section 1(a), Chapter 1294, Acts of the 77th
19 Legislature, Regular Session, 2001, refers to a
20 confirmation election. Because the confirmation
21 election has already been held, the revised law omits
22 the provision as executed. The omitted law reads:

23 (a) [The district is created] . . .
24 subject to approval at a confirmation
25 election under Section 10 of this Act. . . .

26 (2) Section 1(a), Chapter 1294, Acts of the 77th
27 Legislature, Regular Session, 2001, provides that the
28 district is "a governmental agency and a body politic
29 and corporate." The revised law omits the quoted
30 language because it duplicates a portion of Section
31 59(b), Article XVI, Texas Constitution, which provides
32 that a conservation and reclamation district is a
33 governmental agency and body politic and corporate.
34 The omitted law reads:

35 (a) . . . The district is a
36 governmental agency and a body politic and
37 corporate.

38 Revised Law

39 Sec. 8829.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The

1 district is created to serve a public use and benefit.

2 (b) All land and other property included in the district
3 will benefit from the works and projects accomplished by the
4 district under the powers conferred by Section 59, Article XVI,
5 Texas Constitution. (Acts 77th Leg., R.S., Ch. 1294, Sec. 4.)

6 Source Law

7 Sec. 4. All of the land and other property
8 included within the boundaries of the district will be
9 benefited by the works and projects that are to be
10 accomplished by the district under powers conferred by
11 Section 59, Article XVI, Texas Constitution. The
12 district is created to serve a public use and benefit.

13 Revised Law

14 Sec. 8829.004. DISTRICT TERRITORY. The district's
15 boundaries are coextensive with the boundaries of Wharton County,
16 Texas, unless the district's territory has been modified under:

- 17 (1) Subchapter J, Chapter 36, Water Code; or
18 (2) other law. (Acts 77th Leg., R.S., Ch. 1294, Sec.
19 3; New.)

20 Source Law

21 Sec. 3. The boundaries of the district are
22 coextensive with the boundaries of Wharton County,
23 Texas.

24 Revisor's Note

25 The revision of the law governing the district
26 revises the statutory language describing the
27 territory of the district. Because the district's
28 boundaries are subject to change, that description may
29 not be accurate on the effective date of the revision
30 or at the time of a later reading. For the reader's
31 convenience, the revised law includes a reference to
32 the authority to change the district's territory under
33 Subchapter J, Chapter 36, Water Code, applicable to
34 groundwater conservation districts, and to the general
35 authority of the legislature to enact other laws to
36 change the district's territory.

37 Revised Law

38 Sec. 8829.005. DISTRICT NAME CHANGE. The board may change

1 the district's name when the district annexes territory. (Acts
2 77th Leg., R.S., Ch. 1294, Sec. 14.)

3 Source Law

4 Sec. 14. The board of directors may change the
5 district's name when the district annexes territory.

6 Revised Law

7 Sec. 8829.006. CONFLICTS OF LAW. (a) Except as otherwise
8 provided by this chapter, if there is a conflict between this
9 chapter and Chapter 36 or 49, Water Code, this chapter controls.

10 (b) If there is a conflict between Chapters 36 and 49, Water
11 Code, Chapter 36 controls. (Acts 77th Leg., R.S., Ch. 1294, Sec.
12 13.)

13 Source Law

14 Sec. 13. Except as otherwise provided by this
15 Act, if there is a conflict between this Act and
16 Chapter 36 or 49, Water Code, this Act controls. If
17 there is a conflict between Chapters 36 and 49, Water
18 Code, Chapter 36 controls.

19 Revisor's Note
20 (End of Subchapter)

21 (1) Section 5, Chapter 1294, Acts of the 77th
22 Legislature, Regular Session, 2001, provides that the
23 act prevails over general law in case of a conflict or
24 other inconsistency. The revised law omits the
25 provision because it duplicates, in substance, Section
26 311.026, Government Code (Code Construction Act). The
27 omitted law reads:

28 Sec. 5. . . . This Act prevails over
29 any provision of general law that is in
30 conflict or inconsistent with this Act.

31 (2) Section 10, Chapter 1294, Acts of the 77th
32 Legislature, Regular Session, 2001, provides
33 procedures for holding an election to confirm the
34 establishment and taxing authority of the district and
35 to elect the district's initial board. Because the
36 district and its taxing authority have been confirmed
37 and its initial directors have been elected, the
38 revised law omits those provisions as executed. The

1 omitted law reads:

2 Sec. 10. (a) The temporary board of
3 directors shall call and hold an election to
4 confirm establishment of the district, to
5 confirm the district's taxing authority,
6 and to elect initial directors. The initial
7 confirmation election must be held:

8 (1) before the second
9 anniversary of the effective date of this
10 Act; and

11 (2) concurrently with another
12 election held by a political subdivision.

13 (b) At the confirmation and initial
14 directors' election, the temporary board of
15 directors shall have placed on the ballot
16 the name of any candidate filing for an
17 initial director's position and blank
18 spaces to write in the names of other
19 persons. A temporary director who is
20 qualified to be a candidate under Section 9
21 of this Act may file for an initial
22 director's position.

23 (c) If the district is created at the
24 election, the temporary board of directors,
25 at the time the vote is canvassed, shall:

26 (1) declare the qualified
27 person who receives the most votes for each
28 position to be elected as the initial
29 director for that position; and

30 (2) include the results of the
31 initial directors' election in the
32 district's election report to the Texas
33 Natural Resource Conservation Commission.

34 (d) Section 41.001(a), Election
35 Code, does not apply to a confirmation and
36 initial directors' election held as
37 provided by this section.

38 (e) Except as provided by this
39 section, a confirmation and initial
40 directors' election must be conducted as
41 provided by Sections 36.017(b)-(h), Water
42 Code, and the Election Code.

43 (f) If the initial confirmation
44 election fails to confirm the district, the
45 temporary board of directors may hold
46 additional confirmation elections as it
47 deems necessary no less than one year apart
48 and in accordance with other provisions of
49 this section.

50 (g) If the creation of the district
51 is not confirmed at a confirmation election
52 held under this section before the fourth
53 anniversary of the effective date of this
54 Act, this Act expires on that date.

55 [Sections 8829.007-8829.050 reserved for expansion]

56 SUBCHAPTER B. BOARD OF DIRECTORS

57 Revised Law

58 Sec. 8829.051. COMPOSITION OF BOARD; TERMS. (a) Except as
59 provided by Section 8829.056(b), the district is governed by a
60 board of five directors.

1 (b) Directors serve staggered four-year terms. (Acts 77th
2 Leg., R.S., Ch. 1294, Secs. 7(a), (d).)

3 Source Law

4 Sec. 7. (a) The district is governed by a board
5 of five directors.

6 (d) Permanent directors serve staggered
7 four-year terms.

8 Revisor's Note

9 (1) Section 7(d), Chapter 1294, Acts of the 77th
10 Legislature, Regular Session, 2001, refers to
11 "[p]ermanent" directors. Sections 7 and 8 of Chapter
12 1294 refer to "temporary," "initial," and "permanent"
13 directors to distinguish between the "temporary"
14 directors appointed by the Texas Natural Resource
15 Conservation Commission, the directors who
16 immediately succeeded the "temporary" directors after
17 the first election of directors, and subsequently
18 serving directors. Because the revised law omits
19 provisions regarding "temporary" and "initial"
20 directors as executed (see the revisor's notes at the
21 end of this subchapter), the revised law also omits
22 "permanent" because it does not contribute to the
23 clear meaning of the law.

24 (2) Section 7(e), Chapter 1294, Acts of the 77th
25 Legislature, Regular Session, 2001, provides that a
26 director must qualify to serve in the manner provided
27 by Section 36.055, Water Code. The revised law omits
28 the provision because Section 36.055, Water Code,
29 applies to the district under Section 8829.101 of this
30 chapter and Section 36.001(1), Water Code. The
31 omitted law reads:

32 (e) Each director must qualify to
33 serve as director in the manner provided by
34 Section 36.055, Water Code.

35 (3) Section 7(f), Chapter 1294, Acts of the 77th
36 Legislature, Regular Session, 2001, provides that a

1 director serves until a successor has qualified. The
2 revised law omits the provision because it duplicates
3 Section 17, Article XVI, Texas Constitution, which
4 provides that an officer in this state continues to
5 perform the officer's official duties until a
6 successor has qualified. The omitted law reads:

7 (f) A director serves until the
8 director's successor has qualified.

9 Revised Law

10 Sec. 8829.052. ELECTION OF DIRECTORS. (a) Except as
11 provided by Section 8829.056, this section and Sections 8829.053
12 and 8829.054 govern the election and qualifications of directors.

13 (b) Directors are elected according to the commissioners
14 precinct method as provided by this section.

15 (c) One director is elected by the voters of the entire
16 district. One director is elected from each county commissioners
17 precinct by the voters of that precinct.

18 (d) A person shall indicate on the application for a place
19 on the ballot:

20 (1) the precinct that the person seeks to represent;

21 or

22 (2) that the person seeks to represent the district at
23 large.

24 (e) At the first election after the county commissioners
25 precincts are redrawn under Section 18, Article V, Texas
26 Constitution, a new director is elected from each precinct. The
27 directors shall draw lots to determine which two directors shall
28 serve two-year terms and which two directors shall serve four-year
29 terms. (Acts 77th Leg., R.S., Ch. 1294, Secs. 9(a), (b), (d), (e),
30 9A(a) (part).)

31 Source Law

32 Sec. 9. (a) The directors of the district shall
33 be elected according to the commissioners precinct
34 method as provided by this section.

35 (b) One director shall be elected by the
36 electors of the entire district, and one director
37 shall be elected from each county commissioners
38 precinct by the electors of that precinct.

1 (d) A person shall indicate on the application
2 for a place on the ballot:

3 (1) the precinct that the person seeks to
4 represent; or

5 (2) that the person seeks to represent the
6 district at large.

7 (e) At the first election after the county
8 commissioners precincts are redrawn under Section 18,
9 Article V, Texas Constitution, four new directors
10 shall be elected to represent the precincts. The
11 directors elected shall draw lots to determine which
12 two directors serve two-year terms and which two
13 directors serve four-year terms.

14 Sec. 9A. (a) Notwithstanding Sections 9 and 11
15 of this Act,

16 Revisor's Note

17 The revised law substitutes "[e]xcept as provided
18 by Section 8829.056" for the language of Section
19 9A(a), Chapter 1294, Acts of the 77th Legislature,
20 Regular Session, 2001, which allows an exception to
21 the methods prescribed by Sections 9 and 11.

22 Revised Law

23 Sec. 8829.053. ELECTION DATE. (a) The district shall hold
24 an election in the district to elect directors on the first Tuesday
25 after the first Monday in November of each even-numbered year.

26 (b) The district shall hold elections for the directors for:

27 (1) Precincts 1 and 3 every four years after 2004; and

28 (2) Precincts 2 and 4 and the district at large every
29 four years after 2002. (Acts 77th Leg., R.S., Ch. 1294, Sec. 11.)

30 Source Law

31 Sec. 11. (a) On the first Saturday in May of the
32 first even-numbered year after the year in which the
33 district is authorized to be created at a confirmation
34 election, an election shall be held in the district for
35 the election of directors for Precincts 1 and 3 to
36 serve two-year terms and directors for Precincts 2 and
37 4 and for the district at large to serve four-year
38 terms.

39 (b) On the first Tuesday after the first Monday
40 in November of each subsequent second year following
41 the election, the appropriate number of directors
42 shall be elected.

43 Revisor's Note

44 Although references to the confirmation election
45 and initial two-year and four-year terms are obsolete
46 due to the continuing operation of the district and
47 consequently are not included in the revised law,

1 Section 11(a), Chapter 1294, Acts of the 77th
2 Legislature, Regular Session, 2001, is included in the
3 source law for this section because it shows that the
4 legislature intended to fix future election dates in
5 even-numbered years. Because elections for permanent
6 directors were first held under Section 11 in 2002, the
7 language added to this section establishes the dates
8 of subsequent elections in the various precincts.

9 Revised Law

10 Sec. 8829.054. QUALIFICATIONS FOR OFFICE. (a) To be
11 qualified to be a candidate for or to serve as director at large, a
12 person must be a registered voter in the district.

13 (b) To be a candidate for or to serve as director from a
14 county commissioners precinct, a person must be a registered voter
15 of that precinct. (Acts 77th Leg., R.S., Ch. 1294, Sec. 9(c).)

16 Source Law

17 (c) To be qualified to be a candidate for or to
18 serve as director at large, a person must be a
19 registered voter in the district. To be a candidate
20 for or to serve as director from a county commissioners
21 precinct, a person must be a registered voter of that
22 precinct.

23 Revised Law

24 Sec. 8829.055. BOARD VACANCY. (a) The board shall appoint
25 a replacement to fill a vacancy in the office of any director.

26 (b) The appointed replacement serves until the next
27 directors' election.

28 (c) If the position is not scheduled to be filled at the next
29 election, the person elected to fill the position serves only for
30 the remainder of the unexpired term. (Acts 77th Leg., R.S., Ch.
31 1294, Sec. 7(g).)

32 Source Law

33 (g) A vacancy in the office of director shall be
34 filled by appointment of the board until the next
35 election for directors. If the position is not
36 scheduled to be filled at the next election, the person
37 elected in that election to fill the position shall
38 serve only for the remainder of the unexpired term.

1 Revised Law

2 Sec. 8829.056. COMPOSITION OF BOARD AND ELECTION OF
3 DIRECTORS FOLLOWING ANNEXATION. (a) If the district annexes
4 territory, the board of directors of the district by resolution
5 shall adopt an appropriate and equitable method for:

6 (1) electing directors for the district;

7 (2) drawing voting district boundaries if required by
8 the method adopted; and

9 (3) maintaining staggered terms for the directors.

10 (b) If the district annexes territory, the board by
11 resolution may add one or more directors as provided by Section
12 36.051, Water Code.

13 (c) If the board votes to add a director to represent
14 annexed territory under Subsection (b), at an election to ratify
15 annexation under Section 36.328, Water Code, the board may include
16 on the ballot the names of candidates for director to represent the
17 annexed territory on the board. A director elected under this
18 subsection serves until an election is held under Subsection (d).

19 (d) A method of electing directors adopted under Subsection
20 (a):

21 (1) supersedes the method of electing directors
22 provided by Sections 8829.052-8829.054; and

23 (2) applies beginning with the election held on the
24 first date provided by Section 8829.053 that:

25 (A) occurs after the date the annexation of the
26 territory is final; and

27 (B) allows sufficient time to comply with any
28 requirements of law.

29 (e) The method of electing directors provided by Sections
30 8829.052-8829.054 applies until an election is held under
31 Subsection (d).

32 (f) To be eligible to be a candidate for or to serve as a
33 director of the district under this section, a person must:

34 (1) be a registered voter of the district; and

1 (2) comply with each requirement stated in a
2 resolution adopted under Subsection (a). (Acts 77th Leg., R.S.,
3 Ch. 1294, Secs. 7A, 9A(a) (part), (b), (c), (d), (e).)

4 Source Law

5 Sec. 7A. Notwithstanding Section 7(a) of this
6 Act, if the district annexes territory, the board of
7 directors of the district by resolution may add one or
8 more directors as provided by Section 36.051, Water
9 Code.

10 Sec. 9A. (a) . . . if the district annexes
11 territory, the board of directors of the district by
12 resolution shall adopt an appropriate and equitable
13 method for:

14 (1) electing directors for the district
15 that supersedes the method of electing directors under
16 Sections 9 and 11 of this Act;

17 (2) drawing voting district boundaries if
18 required by the method adopted; and

19 (3) maintaining staggered terms for the
20 directors.

21 (b) If the board votes to add a director to
22 represent annexed territory under Section 7A of this
23 Act, at an election to ratify annexation under Section
24 36.328, Water Code, the board may include on the ballot
25 the names of candidates for director to represent the
26 annexed territory on the board. A director elected
27 under this subsection serves until an election is held
28 under Subsection (c) of this section.

29 (c) A method of electing directors adopted under
30 Subsection (a) of this section applies beginning with
31 the election held on the first date provided by Section
32 11 of this Act that occurs after the date the
33 annexation of the territory is final and that allows
34 sufficient time to comply with any requirements of
35 law.

36 (d) The method of electing directors provided by
37 Sections 9 and 11 of this Act applies until an election
38 is held under Subsection (c) of this section.

39 (e) To be eligible to be a candidate for or to
40 serve as a director of the district under this section,
41 a person must be a registered voter of the district and
42 meet the requirements stated in a resolution adopted
43 under Subsection (a) of this section.

44 Revised Law

45 Sec. 8829.057. REVISION OF VOTING DISTRICTS. (a) The board
46 may revise voting districts as necessary or appropriate.

47 (b) If the board adopts a method for electing directors
48 based on voting districts, the board shall revise each district
49 after each federal decennial census to reflect population changes.

50 (c) When the boundaries of the voting districts are redrawn,
51 a director serving on the effective date of the change, or elected
52 or appointed before the effective date of the change to a term of
53 office beginning on or after the effective date of the change,

1 serves the term or the remainder of the term in the district to
2 which elected or appointed even though the change in district
3 boundaries places the person's residence outside the district for
4 which the person was elected or appointed. (Acts 77th Leg., R.S.,
5 Ch. 1294, Sec. 9A(f).)

6 Source Law

7 (f) The board may revise voting districts as
8 necessary or appropriate. If the board adopts a method
9 for electing directors based on voting districts, the
10 board shall revise each voting district after each
11 federal decennial census to reflect population
12 changes. When the boundaries of the districts are
13 redrawn, a director in office on the effective date of
14 the change, or elected or appointed before the
15 effective date of the change to a term of office
16 beginning on or after the effective date of the change,
17 shall serve the term or the remainder of the term in
18 the district to which elected or appointed even though
19 the change in boundaries places the person's residence
20 outside the district for which the person was elected
21 or appointed.

22 Revisor's Note
23 (End of Subchapter)

24 (1) Sections 7(b) and (c), Chapter 1294, Acts of
25 the 77th Legislature, Regular Session, 2001, refer to
26 "temporary" and "initial" directors of the district
27 and to elections under Sections 10 and 11 of that
28 chapter. The revised law omits Sections 7(b) and (c)
29 as executed because the terms of the temporary and
30 initial directors have expired and the initial
31 election for directors has been held. The omitted law
32 reads:

33 (b) Temporary directors serve until
34 initial directors are elected under Section
35 10 of this Act.

36 (c) Initial directors serve until
37 permanent directors are elected under
38 Section 11 of this Act.

39 (2) Section 8, Chapter 1294, Acts of the 77th
40 Legislature, Regular Session, 2001, names the
41 temporary directors and provides for filling vacancies
42 on the temporary board. Because the terms of the
43 temporary directors have expired, the revised law
44 omits those provisions as executed. The omitted law

1 reads:

2 Sec. 8. (a) The temporary board of
3 directors consists of:

4 (1) E. A. Weinheimer, Jr., at
5 large;

6 (2) Leonard Wittig, Precinct 1;

7 (3) Ronald Gertson, Precinct 2;

8 (4) L. G. Raun, Jr., Precinct 3;

9 and

10 (5) Laurance Armour III,
11 Precinct 4.

12 (b) If a temporary director fails to
13 qualify for office, the temporary directors
14 who have qualified shall appoint a person to
15 fill the vacancy. If at any time there are
16 fewer than three qualified temporary
17 directors, the Texas Natural Resource
18 Conservation Commission shall appoint the
19 necessary number of persons to fill all
20 vacancies on the board.

21 (3) Section 2, Chapter 923, Acts of the 79th
22 Legislature, Regular Session, 2005, refers to
23 transition procedures regarding the terms of certain
24 elected directors. The revised law omits this
25 provision as executed. The omitted law reads:

26 Sec. 2. A person serving as a member
27 of the board of directors of the Coastal
28 Bend Groundwater Conservation District on
29 the effective date of this Act shall
30 continue to serve until the election and
31 qualification of a new director for that
32 position.

33 [Sections 8829.058-8829.100 reserved for expansion]

34 SUBCHAPTER C. POWERS AND DUTIES

35 Revised Law

36 Sec. 8829.101. GROUNDWATER CONSERVATION DISTRICT POWERS
37 AND DUTIES. Except as provided by this chapter, the district has
38 the rights, powers, duties, privileges, and functions provided by
39 the general law of this state, including Chapter 36, Water Code,
40 applicable to groundwater conservation districts created under
41 Section 59, Article XVI, Texas Constitution. (Acts 77th Leg.,
42 R.S., Ch. 1294, Sec. 5 (part).)

43 Source Law

44 Sec. 5. Except as provided by this Act, the
45 district has all of the rights, powers, privileges,
46 authority, functions, and duties provided by the
47 general law of this state, including Chapter 36, Water
48 Code, applicable to groundwater conservation
49 districts created under Section 59, Article XVI, Texas

1 Constitution. . . .

2 Revisor's Note

3 Section 5, Chapter 1294, Acts of the 77th
4 Legislature, Regular Session, 2001, refers to the
5 "rights, powers, privileges, [and] authority" of the
6 district. The revised law omits the reference to
7 "authority" because, in context, "authority" is
8 included in the meaning of "rights, powers, [and]
9 privileges."

10 Revised Law

11 Sec. 8829.102. REGIONAL COOPERATION. (a) In recognition
12 of the need for uniform regional monitoring and regulation of
13 common, scientifically recognized groundwater sources, and within
14 designated management areas, the district shall establish rules
15 that:

16 (1) require the permitting of each water well that is:

17 (A) not exempt from permitting by Chapter 36,
18 Water Code; and

19 (B) capable of producing more than 25,000 gallons
20 each day;

21 (2) provide for the prevention of waste, as defined by
22 Section 36.001, Water Code;

23 (3) provide for timely capping or plugging of
24 abandoned wells; and

25 (4) require reports to be filed with the district on
26 each new, nonexempt water well.

27 (b) A report required under Subsection (a)(4) must include:

28 (1) the driller's log;

29 (2) a description of the casing and pumping equipment
30 installed;

31 (3) the capacity of the well; and

32 (4) the intended use of the water.

33 (c) To further regional continuity, the district shall:

34 (1) seek to participate in at least one coordination
35 meeting annually with each adjacent district that shares an aquifer

1 with the district;

2 (2) coordinate the collection of data with adjacent
3 districts in a manner designed to achieve uniformity of data
4 quality;

5 (3) coordinate efforts to monitor water quality with
6 adjacent districts, local governments, and state agencies;

7 (4) investigate any groundwater pollution with the
8 intention of locating its source and report its findings to
9 adjacent districts and appropriate state agencies;

10 (5) provide to adjacent districts annually an
11 inventory of new water wells in the district and an estimate of
12 groundwater production within the district; and

13 (6) include adjacent districts on the mailing lists
14 for district newsletters, seminars, public education events, news
15 articles, and field days. (Acts 77th Leg., R.S., Ch. 1294, Sec. 6.)

16 Source Law

17 Sec. 6. (a) In recognition of the need for
18 uniform regional monitoring and regulation of common,
19 scientifically recognized groundwater sources, and
20 within designated management areas, the district shall
21 establish rules:

22 (1) requiring the permitting of all water
23 wells that are:

24 (A) not exempted from permitting by
25 Chapter 36, Water Code; and

26 (B) capable of producing in excess of
27 25,000 gallons per day;

28 (2) providing for the prevention of waste,
29 as defined by Section 36.001, Water Code;

30 (3) providing for timely capping or
31 plugging of abandoned wells; and

32 (4) requiring reports to be filed with the
33 district on all new, nonexempt water wells.

34 (b) Reports required under Subsection (a)(4)
35 must include the driller's log, a description of the
36 casing and pumping equipment installed, the capacity
37 of the well so equipped, and the intended use of the
38 water.

39 (c) To further regional continuity, the
40 district shall:

41 (1) seek to participate in at least one
42 coordination meeting annually with each adjacent
43 district that shares an aquifer with the district;

44 (2) coordinate the collection of data with
45 adjacent districts in a manner designed to achieve
46 uniformity of data quality;

47 (3) coordinate efforts to monitor water
48 quality with adjacent districts, local governments,
49 and state agencies;

50 (4) investigate any groundwater pollution
51 with the intention of locating its source and report
52 its findings to adjacent districts and appropriate

1 state agencies;

2 (5) provide to adjacent districts annually
3 an inventory of new water wells in the district and an
4 estimate of groundwater production within the
5 district; and

6 (6) include adjacent districts on the
7 mailing lists for district newsletters, seminars,
8 public education events, news articles, and field
9 days.

10 [Sections 8829.103-8829.150 reserved for expansion]

11 SUBCHAPTER D. FINANCIAL PROVISIONS

12 Revised Law

13 Sec. 8829.151. DISTRICT REVENUE. To pay the district's
14 maintenance and operating costs, the district may:

15 (1) impose an ad valorem tax at a rate not to exceed
16 five cents for each \$100 of taxable value of property in the
17 district;

18 (2) assess general production fees;

19 (3) solicit and accept grants from any public or
20 private source; and

21 (4) assess a transfer fee on water exported from the
22 district. (Acts 77th Leg., R.S., Ch. 1294, Sec. 12.)

23 Source Law

24 Sec. 12. To pay for the maintenance and
25 operating costs of the district, the district may:

26 (1) impose an ad valorem tax at a rate not
27 to exceed five cents for each \$100 of taxable value of
28 property in the district;

29 (2) assess general production fees;

30 (3) solicit and accept grants from any
31 public or private source; and

32 (4) assess a transfer fee on water
33 exported from the district.

34 Revisor's Note
35 (End of Chapter)

36 Section 15, Chapter 1294, Acts of the 77th
37 Legislature, Regular Session, 2001, recites
38 legislative findings regarding procedural
39 requirements for legislation affecting the district
40 under the constitution and other laws and rules,
41 including proper legal notice and the filing of
42 recommendations. The revised law omits those
43 provisions as executed. The omitted law reads:

44 Sec. 15. (a) The proper and legal

1 notice of the intention to introduce this
2 Act, setting forth the general substance of
3 this Act, has been published as provided by
4 law, and the notice and a copy of this Act
5 have been furnished to all persons,
6 agencies, officials, or entities to which
7 they are required to be furnished by the
8 constitution and other laws of this state,
9 including the governor, who has submitted
10 the notice and Act to the Texas Natural
11 Resource Conservation Commission.

12 (b) The Texas Natural Resource
13 Conservation Commission has filed its
14 recommendations relating to this Act with
15 the governor, lieutenant governor, and
16 speaker of the house of representatives
17 within the required time.

18 (c) All requirements of the
19 constitution and laws of this state and the
20 rules and procedures of the legislature
21 with respect to the notice, introduction,
22 and passage of this Act are fulfilled and
23 accomplished.

24 CHAPTER 8831. COASTAL PLAINS GROUNDWATER
25 CONSERVATION DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 8831.001. DEFINITIONS 2125
28 Sec. 8831.002. NATURE OF DISTRICT 2125
29 Sec. 8831.003. FINDINGS OF PUBLIC USE AND BENEFIT 2126
30 Sec. 8831.004. DISTRICT TERRITORY 2126

31 [Sections 8831.005-8831.050 reserved for expansion]

32 SUBCHAPTER B. BOARD OF DIRECTORS

33 Sec. 8831.051. COMPOSITION OF BOARD; TERMS 2129
34 Sec. 8831.052. ELECTION OF DIRECTORS 2130
35 Sec. 8831.053. ELECTION DATE 2131
36 Sec. 8831.054. ELIGIBILITY 2132
37 Sec. 8831.055. BOARD VACANCY 2133

38 [Sections 8831.056-8831.100 reserved for expansion]

39 SUBCHAPTER C. POWERS AND DUTIES

40 Sec. 8831.101. GROUNDWATER CONSERVATION DISTRICT
41 POWERS AND DUTIES 2134
42 Sec. 8831.102. REGIONAL COOPERATION 2135

43 [Sections 8831.103-8831.150 reserved for expansion]

44 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

45 Sec. 8831.151. DISTRICT REVENUE 2136

1 CHAPTER 8831. COASTAL PLAINS GROUNDWATER

2 CONSERVATION DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 8831.001. DEFINITIONS. In this chapter:

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

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

8 (3) "District" means the Coastal Plains Groundwater
9 Conservation District. (Acts 77th Leg., R.S., Ch. 1358, Sec. 2;
10 New.)

11 Source Law

12 Sec. 2. In this Act, "district" means the
13 Coastal Plains Groundwater Conservation District.

14 Revisor's Note

15 The definitions of "board" and "director" are
16 added to the revised law for drafting convenience and
17 to eliminate frequent, unnecessary repetition of the
18 substance of the definitions.

19 Revised Law

20 Sec. 8831.002. NATURE OF DISTRICT. The district is a
21 groundwater conservation district in Matagorda County created
22 under and essential to accomplish the purposes of Section 59,
23 Article XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1358,
24 Secs. 1(a) (part), (b).)

25 Source Law

26 Sec. 1. (a) A groundwater conservation
27 district, to be known as the Coastal Plains
28 Groundwater Conservation District, is created in
29 Matagorda County,

30 (b) The district is created under and is
31 essential to accomplish the purposes of Section 59,
32 Article XVI, Texas Constitution.

33 Revisor's Note

34 (1) Section 1(a), Chapter 1358, Acts of the 77th
35 Legislature, Regular Session, 2001, refers to a
36 confirmation election. Because the confirmation
37 election has already been held, the revised law omits
38 the provision as executed. The omitted law reads:

1 (a) . . . subject to approval at a
2 confirmation election under Section 10 of
3 this Act. . . .

4 (2) Section 1(a), Chapter 1358, Acts of the 77th
5 Legislature, Regular Session, 2001, provides that the
6 district is a governmental agency and a body politic
7 and corporate. The revised law omits the provision
8 because it duplicates a portion of Section 59(b),
9 Article XVI, Texas Constitution, which provides that a
10 conservation and reclamation district is a
11 governmental agency and a body politic and corporate.
12 The omitted law reads:

13 (a) . . . The district is a
14 governmental agency and a body politic and
15 corporate.

16 Revised Law

17 Sec. 8831.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
18 district is created to serve a public use and benefit.

19 (b) All land and other property included in the district
20 will benefit from the works and projects accomplished by the
21 district under the powers conferred by Section 59, Article XVI,
22 Texas Constitution. (Acts 77th Leg., R.S., Ch. 1358, Sec. 4.)

23 Source Law

24 Sec. 4. All of the land and other property
25 included within the boundaries of the district will be
26 benefitted by the works and projects that are to be
27 accomplished by the district under powers conferred by
28 Section 59, Article XVI, Texas Constitution. The
29 district is created to serve a public use and benefit.

30 Revised Law

31 Sec. 8831.004. DISTRICT TERRITORY. The district's
32 boundaries are coextensive with the boundaries of Matagorda County,
33 Texas, unless the district's territory has been modified under:

- 34 (1) Subchapter J, Chapter 36, Water Code; or
35 (2) other law. (Acts 77th Leg., R.S., Ch. 1358, Sec.
36 3; New.)

37 Source Law

38 Sec. 3. The boundaries of the district are
39 coextensive with the boundaries of Matagorda County,
40 Texas.

1 Revisor's Note

2 The revision of the law governing the district
3 revises the statutory language describing the
4 territory of the district. Because the district's
5 boundaries are subject to change, that description may
6 not be accurate on the effective date of the revision
7 or at the time of a later reading. For the reader's
8 convenience, the revised law includes a reference to
9 the authority to change the district's territory under
10 Subchapter J, Chapter 36, Water Code, applicable to
11 groundwater conservation districts, and to the general
12 authority of the legislature to enact other laws to
13 change the district's territory.

14 Revisor's Note
15 (End of Subchapter)

16 (1) Section 5(a), Chapter 1358, Acts of the 77th
17 Legislature, Regular Session, 2001, provides that the
18 act prevails over general law in case of a conflict or
19 other inconsistency. The revised law omits the
20 provision because it duplicates, in substance, Section
21 311.026, Government Code (Code Construction Act). The
22 omitted law reads:

23 (a) . . . This Act prevails over any
24 provision of general law that is in conflict
25 or inconsistent with this Act.

26 (2) Section 5(b), Chapter 1358, Acts of the 77th
27 Legislature, Regular Session, 2001, provides that
28 certain provisions of the Water Code prevail over a
29 conflicting or inconsistent provision of the act.
30 Chapter 36, Water Code, applies to the district under
31 Section 8831.101 of this chapter and Section
32 36.001(1), Water Code. The revised law omits Section
33 5(b) because it substantially duplicates Section
34 36.052, Water Code, which provides that the same
35 provisions of the Water Code provided for under
36 Section 5(b), in addition to Section 36.107, Water

1 Code, prevail over a conflicting or inconsistent
2 provision of a special law that governs a specific
3 district. Although Section 5(b) does not reference
4 Section 36.107, Water Code, that section of Chapter 36
5 is not in conflict, or inconsistent, with any
6 provision of this chapter. The omitted law reads:

7 (b) Notwithstanding Subsection (a)
8 of this section, the following provisions
9 prevail over a conflicting or inconsistent
10 provision of this Act:

- 11 (1) Sections 36.1071-36.108,
12 Water Code;
13 (2) Sections 36.159-36.161,
14 Water Code; and
15 (3) Subchapter I, Chapter 36,
16 Water Code.

17 (3) Section 10, Chapter 1358, Acts of the 77th
18 Legislature, Regular Session, 2001, provides
19 procedures for holding an election to confirm the
20 district's creation and to elect the district's initial
21 board. Because the district has been confirmed and its
22 initial directors have been elected, the revised law
23 omits those provisions as executed. The omitted law
24 reads:

25 Sec. 10. (a) The temporary board of
26 directors shall call and hold an election to
27 confirm establishment of the district and
28 to elect initial directors.

29 (b) At the confirmation and initial
30 directors' election, the temporary board of
31 directors shall have placed on the ballot
32 the name of any candidate filing for an
33 initial director's position and blank
34 spaces to write in the names of other
35 persons. A temporary director who is
36 eligible to be a candidate under Section 9
37 may file for an initial director's position.

38 (c) Section 41.001(a), Election
39 Code, does not apply to a confirmation and
40 initial directors' election held as
41 provided by this section.

42 (d) Except as provided by this
43 section, a confirmation and initial
44 directors' election must be conducted as
45 provided by Sections 36.017(b)-(h), Water
46 Code, and the Election Code.

47 (e) If a majority of the votes cast at
48 the election are against the creation of the
49 district, the temporary directors may call
50 and hold subsequent elections to confirm
51 establishment of the district. A
52 subsequent election may not be held earlier
53 than the first anniversary of the date on

1 which the previous election was held.

2 (f) The initial directors for
3 positions 1, 3, 5, and 7 shall serve until
4 the first regular meeting of the board of
5 directors following the first permanent
6 directors' election under Section 11 of this
7 Act. The initial directors for positions 2,
8 4, and 6 shall serve until the first regular
9 meeting of the board of directors following
10 the second permanent directors' election
11 under Section 11 of this Act.

12 [Sections 8831.005-8831.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Revised Law

15 Sec. 8831.051. COMPOSITION OF BOARD; TERMS. (a) The
16 district is governed by a board of seven directors.

17 (b) Directors serve staggered four-year terms. (Acts 77th
18 Leg., R.S., Ch. 1358, Secs. 7(a), (d).)

19 Source Law

20 Sec. 7. (a) The district is governed by a board
21 of seven directors.

22 (d) Permanent directors serve staggered
23 four-year terms.

24 Revisor's Note

25 (1) Section 7(d), Chapter 1358, Acts of the 77th
26 Legislature, Regular Session, 2001, refers to
27 "[p]ermanent" directors. Sections 7, 8, and 10 of
28 Chapter 1358 refer to "temporary," "initial," and
29 "permanent" directors to distinguish between the
30 "temporary" directors, the directors who immediately
31 succeeded the "temporary" directors after the first
32 election of directors, and subsequently serving
33 directors. Because the revised law omits provisions
34 regarding "temporary" and "initial" directors as
35 executed (see the revisor's notes at the end of this
36 subchapter), the revised law also omits "permanent"
37 because it does not contribute to the clear meaning of
38 the law.

39 (2) Section 7(e), Chapter 1358, Acts of the 77th
40 Legislature, Regular Session, 2001, provides that a
41 director must qualify to serve in the manner provided

1 by Section 36.055, Water Code. The revised law omits
2 the provision because Section 36.055, Water Code,
3 applies to the district under Section 8831.101 of this
4 chapter and Section 36.001(1), Water Code. The
5 omitted law reads:

6 (e) Each director must qualify to
7 serve as director in the manner provided by
8 Section 36.055, Water Code.

9 (3) Section 7(f), Chapter 1358, Acts of the 77th
10 Legislature, Regular Session, 2001, provides that a
11 director serves until a successor has qualified. The
12 revised law omits the provision because it duplicates
13 Section 17, Article XVI, Texas Constitution, which
14 provides that an officer in this state continues to
15 perform the officer's official duties until a
16 successor has qualified. The omitted law reads:

17 (f) A director serves until the
18 director's successor has qualified.

19 Revised Law

20 Sec. 8831.052. ELECTION OF DIRECTORS. (a) Three directors
21 are elected by the voters of the entire district. One director is
22 elected from each county commissioners precinct by the voters of
23 that precinct. The directors elected from precincts 1-4 occupy
24 positions 1-4, respectively, on the board. The at-large directors
25 occupy positions 5-7, respectively, on the board.

26 (b) A person shall indicate on the application for a place
27 on the ballot the position on the board for which the person is a
28 candidate.

29 (c) At the first election after the county commissioners
30 precincts are redrawn under Section 18, Article V, Texas
31 Constitution, each director in office on the effective date of the
32 change, or elected to a term of office beginning on or after the
33 effective date of the change, shall serve, unless otherwise removed
34 as provided by law, in the position to which each was elected for
35 the entire term to which elected, even though the change in
36 boundaries places the director's residence outside the precinct

1 from which the director was elected. (Acts 77th Leg., R.S., Ch.
2 1358, Secs. 9(a), (c), (d).)

3 Source Law

4 Sec. 9. (a) Three directors shall be elected
5 by the qualified voters of the entire district, and one
6 director shall be elected from each county
7 commissioners precinct by the qualified voters of that
8 precinct. The directors elected from precincts 1-4
9 occupy positions 1-4, respectively, on the board. The
10 at-large directors occupy positions 5-7,
11 respectively, on the board.

12 (c) A person shall indicate the position on the
13 board for which the person is a candidate on the
14 application for a place on the ballot.

15 (d) At the first election after the county
16 commissioners precincts are redrawn under Section 18,
17 Article V, Texas Constitution, each director in office
18 on the effective date of the change, or elected to a
19 term of office beginning on or after the effective date
20 of the change, shall serve, unless otherwise removed
21 as provided by law, in the position to which each was
22 elected for the entire term to which elected, even
23 though the change in boundaries places the director's
24 residence outside the precinct from which the director
25 was elected.

26 Revisor's Note

27 Section 9(a), Chapter 1358, Acts of the 77th
28 Legislature, Regular Session, 2001, refers to an
29 election by the "qualified" voters of the district and
30 of each precinct. The revised law omits "qualified" as
31 unnecessary in this context because Chapter 11,
32 Election Code, governs eligibility to vote in an
33 election in this state and allows only "qualified"
34 voters who are residents of the territory covered by
35 the election to vote in an election.

36 Revised Law

37 Sec. 8831.053. ELECTION DATE. Each even-numbered year, the
38 board shall hold an election in the district on a uniform election
39 date provided by Section 41.001(a), Election Code, to elect the
40 appropriate number of directors. If the board changes the election
41 date, the district shall adjust the terms of office to conform to
42 the new election date. (Acts 77th Leg., R.S., Ch. 1358, Sec. 11.)

43 Source Law

44 Sec. 11. Beginning in the second year after the
45 year in which the district is authorized to be created

1 at a confirmation election and every subsequent two
2 years, the board of directors of the district shall
3 call an election to be held in the district on any
4 uniform election date provided by Section 41.001(a),
5 Election Code, to elect the appropriate number of
6 directors to the board. If the board changes the
7 uniform election date for directors' elections, the
8 district shall adjust the terms of office to conform to
9 the new election date.

10 Revisor's Note

11 (1) Section 11, Chapter 1358, Acts of the 77th
12 Legislature, Regular Session, 2001, requires the board
13 to hold a directors' election "[b]eginning in the
14 second year after the year in which the district is
15 authorized to be created at a confirmation election
16 and every subsequent two years." The revised law
17 substitutes "[e]ach even-numbered year" for the quoted
18 language because the district was confirmed in 2001
19 and the first permanent directors were elected in
20 2002, an even-numbered year. As a result, subsequent
21 directors' elections will be held in even-numbered
22 years.

23 (2) Section 11, Chapter 1358, Acts of the 77th
24 Legislature, Regular Session, 2001, requires the board
25 to "call" directors' elections "to be held" in the
26 district. The revised law omits the reference to
27 "calling" an election because, in this context,
28 "calling" an election is included in the meaning of
29 "holding" an election. Under Chapter 3, Election
30 Code, all elections must be ordered (called) before
31 they may be held.

32 Revised Law

33 Sec. 8831.054. ELIGIBILITY. (a) To be eligible to be a
34 candidate for or to serve as a director at large, a person must be a
35 registered voter of the district.

36 (b) To be eligible to be a candidate for or to serve as a
37 director from a county commissioners precinct, a person must be a
38 registered voter of that precinct, except as provided by Section
39 8831.052(c). (Acts 77th Leg., R.S., Ch. 1358, Sec. 9(b).)

1 "temporary" and "initial" directors of the district
2 and to elections under Sections 10 and 11 of that
3 chapter. The revised law omits Sections 7(b) and (c)
4 as executed because the terms of the temporary and
5 initial directors have expired and the initial
6 election for permanent directors has been held. The
7 omitted law reads:

8 (b) Temporary directors serve until
9 initial directors are elected under Section
10 10 of this Act.

11 (c) Initial directors serve until
12 permanent directors are elected under
13 Section 11 of this Act.

14 (2) Section 8, Chapter 1358, Acts of the 77th
15 Legislature, Regular Session, 2001, names the
16 temporary directors and provides for filling vacancies
17 on the temporary board. Because the terms of the
18 temporary directors have expired, the revised law
19 omits those provisions as executed. The omitted law
20 reads:

21 Sec. 8. (a) The temporary board of
22 directors is composed of:

23 Position No:	Name
24 (1)	Haskell Simon;
25 (2)	Herff Cornelius;
26 (3)	Bruce Herlin;
27 (4)	Wayne Ackerman;
28 (5)	George Harrison;
29 (6)	Billy Mann; and
30 (7)	Deedy Huffman

31 (b) If a temporary director fails to
32 qualify for office, the temporary directors
33 who have qualified shall appoint a person to
34 fill the vacancy.

35 [Sections 8831.056-8831.100 reserved for expansion]

36 SUBCHAPTER C. POWERS AND DUTIES

37 Revised Law

38 Sec. 8831.101. GROUNDWATER CONSERVATION DISTRICT POWERS
39 AND DUTIES. Except as provided by this chapter, the district has
40 the rights, powers, privileges, functions, and duties provided by
41 the general law of this state, including Chapter 36, Water Code,
42 applicable to groundwater conservation districts created under
43 Section 59, Article XVI, Texas Constitution. (Acts 77th Leg.,

1 R.S., Ch. 1358, Sec. 5(a) (part).)

2 Source Law

3 Sec. 5. (a) Except as otherwise provided by
4 this Act, the district has all of the rights, powers,
5 privileges, authority, functions, and duties provided
6 by the general law of this state, including Chapter 36,
7 Water Code, applicable to groundwater conservation
8 districts created under Section 59, Article XVI, Texas
9 Constitution. . . .

10 Revisor's Note

11 Section 5, Chapter 1358, Acts of the 77th
12 Legislature, Regular Session, 2001, refers to the
13 "rights, powers, privileges, [and] authority" of the
14 district. The revised law omits the reference to
15 "authority" because, in context, "authority" is
16 included in the meaning of "rights, powers, [and]
17 privileges."

18 Revised Law

19 Sec. 8831.102. REGIONAL COOPERATION. To provide for
20 uniformity across districts in addressing the need to achieve a
21 common approach to managing the underlying aquifer and to ensure
22 that administration of the district will be cost-effective, the
23 district shall:

24 (1) attempt to coordinate meetings with adjacent
25 districts;

26 (2) encourage sharing of personnel and resources to
27 achieve administrative cost savings;

28 (3) study a common approach for collecting and sharing
29 appropriate data to be used in managing the aquifer;

30 (4) support cooperation in the investigation of
31 aquifer contamination; and

32 (5) include adjacent districts on mailing lists for
33 district meeting announcements, newsletters, public meetings, and
34 other scheduled events. (Acts 77th Leg., R.S., Ch. 1358, Sec. 6.)

35 Source Law

36 Sec. 6. To provide for uniformity across
37 districts in addressing the need to achieve a common
38 approach to managing the underlying aquifer and to
39 ensure that administration of the district will be

1 cost effective, the district shall:

2 (1) attempt to coordinate meetings with
3 adjacent districts;

4 (2) encourage sharing of personnel and
5 resources to achieve administrative cost savings;

6 (3) study a common approach for collecting
7 and sharing appropriate data to be used in managing the
8 aquifer;

9 (4) support cooperation in the
10 investigation of aquifer contamination; and

11 (5) include adjacent districts on mailing
12 lists for district meeting announcements,
13 newsletters, public meetings, and other scheduled
14 events.

15 [Sections 8831.103-8831.150 reserved for expansion]

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Revised Law

18 Sec. 8831.151. DISTRICT REVENUE. To pay the district's
19 maintenance and operating costs and to pay any bonds issued by the
20 district, the district may:

21 (1) impose an ad valorem tax at a rate not to exceed
22 2.5 cents for each \$100 of taxable value of property in the
23 district, subject to voter approval;

24 (2) assess fees for services or for water withdrawn
25 from wells; or

26 (3) solicit and accept grants from any public or
27 private source. (Acts 77th Leg., R.S., Ch. 1358, Sec. 12.)

28 Source Law

29 Sec. 12. To pay the maintenance and operating
30 costs of the district and to pay any bonds issued by
31 the district, the district may:

32 (1) impose an ad valorem tax at a rate not
33 to exceed 2-1/2 cents for each \$100 of taxable value of
34 property in the district, subject to voter approval;

35 (2) assess fees for services or for water
36 withdrawn from wells; or

37 (3) solicit and accept grants from any
38 public or private source.

39 Revisor's Note
40 (End of Chapter)

41 Section 13, Chapter 1358, Acts of the 77th
42 Legislature, Regular Session, 2001, recites
43 legislative findings regarding procedural
44 requirements for legislation affecting the district
45 under the constitution and other laws and rules,
46 including proper legal notice and the filing of

1 recommendations. The revised law omits those
2 provisions as executed. The omitted law reads:

3 Sec. 13. (a) The proper and legal
4 notice of the intention to introduce this
5 Act, setting forth the general substance of
6 this Act, has been published as provided by
7 law, and the notice and a copy of this Act
8 have been furnished to all persons,
9 agencies, officials, or entities to which
10 they are required to be furnished by the
11 constitution and other laws of this state,
12 including the governor, who has submitted
13 the notice and Act to the Texas Natural
14 Resource Conservation Commission.

15 (b) The Texas Natural Resource
16 Conservation Commission has filed its
17 recommendations relating to this Act with
18 the governor, lieutenant governor, and
19 speaker of the house of representatives
20 within the required time.

21 (c) All requirements of the
22 constitution and laws of this state and the
23 rules and procedures of the legislature
24 with respect to the notice, introduction,
25 and passage of this Act are fulfilled and
26 accomplished.

27 CHAPTER 8832. MESQUITE GROUNDWATER CONSERVATION DISTRICT

28 SUBCHAPTER A. GENERAL PROVISIONS

29 Sec. 8832.001. DEFINITIONS 2138
30 Sec. 8832.002. NATURE OF DISTRICT 2139
31 Sec. 8832.003. DISTRICT TERRITORY 2140
32 Sec. 8832.004. DISTRICT NAME CHANGE 2140

33 [Sections 8832.005-8832.050 reserved for expansion]

34 SUBCHAPTER B. BOARD OF DIRECTORS

35 Sec. 8832.051. COMPOSITION OF BOARD; TERMS 2141
36 Sec. 8832.052. ELECTION OF DIRECTORS 2141
37 Sec. 8832.053. ELECTION DATE 2142
38 Sec. 8832.054. QUALIFICATIONS FOR ELECTION;
39 ELIGIBILITY TO SERVE 2142
40 Sec. 8832.055. COMPOSITION OF BOARD AND ELECTION OF
41 DIRECTORS FOLLOWING ANNEXATION 2143

42 [Sections 8832.056-8832.100 reserved for expansion]

43 SUBCHAPTER C. POWERS AND DUTIES

44 Sec. 8832.101. GENERAL POWERS AND DUTIES 2144
45 Sec. 8832.102. ADMINISTRATIVE PROCEDURES 2145
46 Sec. 8832.103. WELL PERMITS 2145

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2 Sec. 8832.105. LOGS 2146
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4 Sec. 8832.107. RESEARCH AND DETERMINATIONS REGARDING
5 GROUNDWATER WITHDRAWAL 2148
6 Sec. 8832.108. COLLECTION AND PRESERVATION OF
7 INFORMATION 2148
8 Sec. 8832.109. CONTRACT FOR SALE AND DISTRIBUTION OF
9 WATER 2148

10 [Sections 8832.110-8832.150 reserved for expansion]

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 8832.151. FINANCIAL RECORDS 2151

13 CHAPTER 8832. MESQUITE GROUNDWATER CONSERVATION DISTRICT

14 SUBCHAPTER A. GENERAL PROVISIONS

15 Revised Law

16 Sec. 8832.001. DEFINITIONS. In this chapter:

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

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

19 (3) "District" means the Mesquite Groundwater
20 Conservation District. (Acts 69th Leg., R.S., Ch. 376, Sec. 2;
21 New.)

22 Source Law

23 Sec. 2. In this Act, "district" means the
24 Collingsworth County Underground Water Conservation
25 District.

26 Revisor's Note

27 (1) The definitions of "board" and "director"
28 are added to the revised law for drafting convenience
29 and to eliminate frequent, unnecessary repetition of
30 the substance of the definitions.

31 (2) Section 2, Chapter 376, Acts of the 69th
32 Legislature, Regular Session, 1985, refers to the
33 Collingsworth County Underground Water Conservation
34 District. The name of the district was changed to the
35 Mesquite Groundwater Conservation District by a

1 resolution adopted by the board of directors of the
2 district dated October 11, 2007, as authorized by
3 Section 4A, Chapter 376, Acts of the 69th Legislature,
4 Regular Session, 1985 (revised in this chapter as
5 Section 8832.004). The revised law is drafted
6 accordingly.

7 Revised Law

8 Sec. 8832.002. NATURE OF DISTRICT. The district is created
9 under Section 59, Article XVI, Texas Constitution, to provide for
10 the conservation, preservation, protection, recharge, and
11 prevention of waste of the groundwater reservoirs located under
12 district land, consistent with the objectives of Section 59,
13 Article XVI, Texas Constitution, and Chapter 36, Water Code. (Acts
14 69th Leg., R.S., Ch. 376, Secs. 1 (part), 4.)

15 Source Law

16 Sec. 1. Under Article XVI, Section 59, of the
17 Texas Constitution the Collingsworth County
18 Underground Water Conservation District is a
19 governmental agency and body politic and corporate,
20

21 Sec. 4. The district is created to provide for
22 the conservation, preservation, protection, recharge,
23 and prevention of waste of the underground water
24 reservoirs located under district land consistent with
25 the objectives of Article XVI, Section 59, of the Texas
26 Constitution and Chapter 36, Water Code.

27 Revisor's Note

28 (1) Section 1, Chapter 376, Acts of the 69th
29 Legislature, Regular Session, 1985, provides that the
30 district is "a governmental agency and body politic
31 and corporate." The revised law omits the quoted
32 language because it duplicates a portion of Section
33 59(b), Article XVI, Texas Constitution, which provides
34 that a conservation and reclamation district is a
35 governmental agency and a body politic and corporate.

36 (2) Section 4, Chapter 376, Acts of the 69th
37 Legislature, Regular Session, 1985, refers to
38 "underground water reservoirs" and to Chapter 36,
39 Water Code. Former Chapter 52, Water Code, referred to

1 "underground water reservoirs." Chapter 933, Acts of
2 the 74th Legislature, Regular Session, 1995, repealed
3 Chapter 52, Water Code, and enacted Chapter 36, Water
4 Code, which refers to "groundwater reservoirs."
5 Throughout this chapter, the revised law substitutes
6 "groundwater" for "underground water" because that is
7 the term used by Chapter 36, Water Code, and because
8 that is the more commonly used and modern term.

9 Revised Law

10 Sec. 8832.003. DISTRICT TERRITORY. The district includes
11 the territory in Collingsworth County and any territory annexed by
12 the district under Section 8832.055 or other law. (Acts 69th Leg.,
13 R.S., Ch. 376, Sec. 3; New.)

14 Source Law

15 Sec. 3. The district includes all of the
16 territory located in Collingsworth County and any
17 territory annexed by the district.

18 Revisor's Note

19 The revision of the law governing the district
20 revises the statutory language describing the
21 territory of the district. Because the district's
22 boundaries are subject to change, that description may
23 not be accurate on the effective date of the revision
24 or at the time of a later reading. For the reader's
25 convenience, the revised law includes a reference to
26 the authority to change the district's territory under
27 Section 12, Chapter 376, Acts of the 69th Legislature,
28 Regular Session, 1985 (revised in this chapter as
29 Section 8832.055), and to the general authority of the
30 legislature to enact other laws to change the
31 district's territory.

32 Revised Law

33 Sec. 8832.004. DISTRICT NAME CHANGE. The board by
34 resolution may change the district's name. (Acts 69th Leg., R.S.,
35 Ch. 376, Sec. 4A.)

1 Source Law

2 Sec. 4A. The board by resolution may change the
3 district's name.

4 [Sections 8832.005-8832.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Revised Law

7 Sec. 8832.051. COMPOSITION OF BOARD; TERMS. (a) Except as
8 provided by Section 8832.055, the district is governed by a board of
9 five directors.

10 (b) Directors serve staggered four-year terms. (Acts 69th
11 Leg., R.S., Ch. 376, Secs. 13(a), (d); New.)

12 Source Law

13 Sec. 13. (a) The district shall be governed by
14 a board of directors that consists of five directors.

15 (d) Directors serve staggered four-year terms.

16 Revisor's Note

17 For the reader's convenience, the revised law
18 includes a reference to the statutory authority to
19 increase the number of directors under Section 12,
20 Chapter 376, Acts of the 69th Legislature, Regular
21 Session, 1985 (revised in this chapter as Section
22 8832.055).

23 Revised Law

24 Sec. 8832.052. ELECTION OF DIRECTORS. (a) The district is
25 divided into five numbered single-member districts for electing
26 directors.

27 (b) The board may revise the single-member districts as
28 necessary or appropriate.

29 (c) One director is elected from each single-member
30 district. A director elected from a single-member district
31 represents the residents and property owners of that single-member
32 district.

33 (d) Board elections are conducted according to Sections
34 36.017(b)-(h), Water Code, and the Election Code. (Acts 69th Leg.,
35 R.S., Ch. 376, Secs. 13(c) (part), (e) (part); Acts 77th Leg., R.S.,

1 Ch. 1364, Sec. 5(d) (part).)

2 Source Law

3 [Acts 69th Leg., R.S., Ch. 376, Sec. 13]

4 (c) One director shall be elected from each
5 single-member district. . . .

6 (e) The board of directors shall draw five
7 numbered single-member districts for electing
8 directors and may revise the districts as necessary or
9 appropriate. For the conduct of an election under this
10 section, the board shall provide for one director to be
11 elected from each of the single-member districts. A
12 director elected from a single-member district
13 represents the residents and property owners of that
14 single-member district. Board elections . . . shall be
15 conducted according to Sections 36.017(b)-(h), Water
16 Code, and the Election Code.

17 [Acts 77th Leg., R.S., Ch. 1364, Sec. 5]

18 (d) [At each subsequent directors' election,]
19 the appropriate number of directors shall be elected
20 from single-member districts.

21 Revisor's Note

22 Section 13(e), Chapter 376, Acts of the 69th
23 Legislature, Regular Session, 1985, provides that the
24 board "shall draw" five numbered single-member
25 districts for electing directors. The revised law
26 substitutes "is divided into" for the quoted language
27 because the requirement that the board "draw," or
28 divide the district into, the numbered single-member
29 districts is executed.

30 Revised Law

31 Sec. 8832.053. ELECTION DATE. A board election shall be
32 held on a uniform election date in each even-numbered year. (Acts
33 69th Leg., R.S., Ch. 376, Sec. 13(e) (part).)

34 Source Law

35 (e) . . . Board elections shall be held on a
36 uniform election day in even-numbered years
37 and

38 Revised Law

39 Sec. 8832.054. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO
40 SERVE. (a) To be qualified for election as a director, a person
41 must be:

42 (1) a resident of the district; and

43 (2) at least 18 years of age.

1 (b) To represent a single-member district, a director must
2 own property in that single-member district. (Acts 69th Leg.,
3 R.S., Ch. 376, Secs. 13(b), (c) (part).)

4 Source Law

5 (b) To be qualified for election as a director,
6 a person must be a resident of the district and be at
7 least 18 years of age.

8 (c) . . . To represent a single-member
9 district, the director must own property in that
10 single-member district.

11 Revised Law

12 Sec. 8832.055. COMPOSITION OF BOARD AND ELECTION OF
13 DIRECTORS FOLLOWING ANNEXATION. (a) Territory may be added to the
14 district as provided by Chapter 36, Water Code.

15 (b) If the district annexes territory, the board may:

16 (1) add the annexed territory to one or more existing
17 single-member districts for purposes of electing directors;

18 (2) redraw the five single-member districts to include
19 the annexed territory; or

20 (3) add additional single-member districts for the
21 election of additional directors.

22 (c) The district may not contain more than 11 single-member
23 districts. (Acts 69th Leg., R.S., Ch. 376, Sec. 12.)

24 Source Law

25 Sec. 12. (a) Additional territory may be added
26 to the district as provided by Chapter 36, Water Code.
27 If the district annexes additional territory, the
28 board of directors may add the annexed territory to one
29 or more existing single-member districts for purposes
30 of electing directors, may redraw the five
31 single-member districts to include the annexed
32 territory, or may add additional single-member
33 districts for the election of additional directors.

34 (b) The district may not contain more than 11
35 single-member districts.

36 Revisor's Note
37 (End of Subchapter)

38 Section 5, Chapter 1364, Acts of the 77th
39 Legislature, Regular Session, 2001, contains
40 transition language regarding the terms of office of
41 the directors serving on the day before the effective
42 date of that act and directors' elections for the years

1 2002 and 2004. The revised law omits the language as
2 executed because the terms of office of the directors
3 have expired and the elections have been held. The
4 omitted law reads:

5 Sec. 5. (a) A director of the
6 Collingsworth County Underground Water
7 Conservation District who is serving on the
8 day before the effective date of this Act
9 shall serve until the director's term
10 expires.

11 (b) At the 2002 directors' election,
12 the open board positions shall be filled by
13 the appropriate number of directors, who
14 shall be elected from single-member
15 districts.

16 (c) At the 2004 directors' election,
17 the remaining board positions shall be
18 filled by directors elected from the
19 remaining single-member districts.

20 (d) At each subsequent directors'
21 election, [the appropriate number of
22 directors shall be elected from
23 single-member districts.]

24 [Sections 8832.056-8832.100 reserved for expansion]

25 SUBCHAPTER C. POWERS AND DUTIES

26 Revised Law

27 Sec. 8832.101. GENERAL POWERS AND DUTIES. The district may
28 exercise:

29 (1) the powers essential to accomplish the purposes of
30 Section 59, Article XVI, Texas Constitution; and

31 (2) the rights, powers, duties, privileges, and
32 functions provided by this chapter, Chapter 36, Water Code, and
33 other laws of this state relating to groundwater conservation
34 districts. (Acts 69th Leg., R.S., Ch. 376, Secs. 1 (part), 5
35 (part).)

36 Source Law

37 Sec. 1. Under Article XVI, Section 59, of the
38 Texas Constitution the Collingsworth County
39 Underground Water Conservation District is . . .
40 authorized to exercise the powers essential to the
41 accomplishment of the purposes of that constitutional
42 provision and to exercise the rights, powers, duties,
43 privileges, and functions provided by this Act and by
44 Chapter 36, Water Code, and by other laws of this state
45 relating to underground water conservation districts.

46 Sec. 5. The district may exercise the powers,
47 rights, privileges, and functions permitted by Chapter
48 36, Water Code, and

1 Revised Law

2 Sec. 8832.102. ADMINISTRATIVE PROCEDURES. Except as
3 provided by this chapter, the administrative and procedural
4 provisions of Chapter 36, Water Code, apply to the district. (Acts
5 69th Leg., R.S., Ch. 376, Sec. 6.)

6 Source Law

7 Sec. 6. Except as provided by this Act, the
8 administrative and procedural provisions of Chapter
9 36, Water Code, apply to the district.

10 Revised Law

11 Sec. 8832.103. WELL PERMITS. (a) As permitted by Chapter
12 36, Water Code, the district may:

13 (1) require a permit for drilling, equipping, or
14 completing a well in a groundwater reservoir in the district; and

15 (2) issue a permit that includes terms relating to
16 drilling, equipping, or completing a well that are necessary to
17 prevent waste or conserve, preserve, and protect groundwater.

18 (b) The district may not deny an owner of land, or the
19 owner's heirs, assigns, and lessees, a permit to drill a well on
20 that land or the right to produce groundwater from that well subject
21 to rules adopted under this chapter. (Acts 69th Leg., R.S., Ch.
22 376, Sec. 5 (part).)

23 Source Law

24 Sec. 5. [The district may exercise the powers,
25 rights, privileges, and functions permitted by Chapter
26 36, Water Code, and] may:

27 . . .
28 (3) require permits for the drilling,
29 equipping, and completion of wells in the underground
30 water reservoirs in the district and issue permits
31 that include terms and provisions with reference to
32 the drilling, equipping, and completion of the wells
33 that are necessary to prevent waste or conserve,
34 preserve, and protect underground water;

35 (4) . . . provided, the owner of the land,
36 his heirs, assigns, and lessees are not denied a permit
37 to drill a well on their land and the right to produce
38 underground water from that well subject to rules
39 adopted under this Act;

40 . . .

41 Revisor's Note

42 Section 5(3), Chapter 376, Acts of the 69th
43 Legislature, Regular Session, 1985, refers to "terms

1 and provisions." The revised law omits the reference
2 to "provisions" because "provisions" is included in
3 the meaning of "terms."

4 Revised Law

5 Sec. 8832.104. WELL SPACING AND PRODUCTION. To minimize as
6 far as practicable the drawdown of the water table or the reduction
7 of the artesian pressure, the district as permitted by Chapter 36,
8 Water Code, may provide for the spacing of wells producing from the
9 groundwater reservoirs in the district and regulate the production
10 from those wells. (Acts 69th Leg., R.S., Ch. 376, Sec. 5 (part).)

11 Source Law

12 Sec. 5. [The district may exercise the powers,
13 rights, privileges, and functions permitted by Chapter
14 36, Water Code, and] may:

15 . . .
16 (4) provide for the spacing of wells
17 producing from the underground water reservoirs in the
18 district and regulate the production from those wells
19 to minimize as far as practicable the drawdown of the
20 water table or the reduction of the artesian pressure,
21 . . . ;
22 . . .

23 Revised Law

24 Sec. 8832.105. LOGS. As permitted by Chapter 36, Water
25 Code, the district may require that:

26 (1) accurate driller's logs be kept of the drilling,
27 equipping, and completion of a well into a groundwater reservoir in
28 the district; and

29 (2) a copy of a driller's log and of any electric log
30 that may be made of the well be filed with the district. (Acts 69th
31 Leg., R.S., Ch. 376, Sec. 5 (part).)

32 Source Law

33 Sec. 5. [The district may exercise the powers,
34 rights, privileges, and functions permitted by Chapter
35 36, Water Code, and] may:

36 . . .
37 (5) . . . require accurate driller's logs
38 to be kept of those wells and a copy of those logs and
39 of any electric logs that may be made of the wells to be
40 filed with the district;
41 . . .

42 Revisor's Note

43 Section 5(5), Chapter 376, Acts of the 69th

1 Legislature, Regular Session, 1985, provides that the
2 district may require that certain records be kept and
3 reports be made regarding water wells and the use of
4 groundwater. The revised law omits the provision
5 because it duplicates, in substance, Section
6 36.111(a), Water Code. The omitted law reads:

7 Sec. 5. [The district . . . may:]

8
9 (5) require records to be kept
10 and reports to be made of the drilling,
11 equipping, and completion of wells into any
12 underground water reservoir in the district
13 and the taking and use of underground water
14 from those reservoirs and

15 Revised Law

16 Sec. 8832.106. SURVEYS. As permitted by Chapter 36, Water
17 Code, the district may have a licensed engineer survey the
18 groundwater of a groundwater reservoir in the district and the
19 facilities for the development, production, and use of that
20 groundwater and determine the quantity of the groundwater available
21 for production and use and the improvements, developments, and
22 recharges needed for the groundwater reservoir. (Acts 69th Leg.,
23 R.S., Ch. 376, Sec. 5 (part).)

24 Source Law

25 Sec. 5. [The district may exercise the powers,
26 rights, privileges, and functions permitted by Chapter
27 36, Water Code, and] may:

28 . . .
29 (7) have made by registered professional
30 engineers surveys of the underground water of any
31 underground water reservoir in the district and of the
32 facilities for the development, production, and use of
33 that underground water and determine the quantity of
34 the underground water available for production and use
35 and the improvements, developments, and recharges
36 needed for those underground water reservoirs;
37 . . .

38 Revisor's Note

39 Section 5(7), Chapter 376, Acts of the 69th
40 Legislature, Regular Session, 1985, refers to
41 "registered professional engineers." The revised law
42 substitutes "engineer" for "professional engineer"
43 because "engineer" is the term used by Chapter 1001,
44 Occupations Code, which regulates engineers. The

1 revised law also substitutes "licensed" for
2 "registered" because Chapter 1001, Occupations Code,
3 requires that a person hold a license to engage in the
4 practice of engineering.

5 Revised Law

6 Sec. 8832.107. RESEARCH AND DETERMINATIONS REGARDING
7 GROUNDWATER WITHDRAWAL. As permitted by Chapter 36, Water Code,
8 the district may carry out research projects, develop information,
9 and determine limitations, if any, that should be made on the
10 withdrawal of groundwater from a groundwater reservoir in the
11 district. (Acts 69th Leg., R.S., Ch. 376, Sec. 5 (part).)

12 Source Law

13 Sec. 5. [The district may exercise the powers,
14 rights, privileges, and functions permitted by Chapter
15 36, Water Code, and] may:

16 . . .
17 (9) carry out research projects, develop
18 information, and determine limitations, if any, that
19 should be made on the withdrawal of underground water
20 from any underground water reservoir in the district;
21 . . .

22 Revised Law

23 Sec. 8832.108. COLLECTION AND PRESERVATION OF INFORMATION.
24 As permitted by Chapter 36, Water Code, the district may collect and
25 preserve information regarding the use of groundwater and the
26 practicability of recharge of a groundwater reservoir in the
27 district. (Acts 69th Leg., R.S., Ch. 376, Sec. 5 (part).)

28 Source Law

29 Sec. 5. [The district may exercise the powers,
30 rights, privileges, and functions permitted by Chapter
31 36, Water Code, and] may:

32 . . .
33 (10) collect and preserve information
34 regarding the use of the underground water and the
35 practicability of recharge of any underground water
36 reservoir in the district;
37 . . .

38 Revised Law

39 Sec. 8832.109. CONTRACT FOR SALE AND DISTRIBUTION OF WATER.
40 As permitted by Chapter 36, Water Code, the district may contract
41 for, sell, and distribute water from a water import authority or
42 other agency. (Acts 69th Leg., R.S., Ch. 376, Sec. 5 (part).)

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. . .

(3) Section 5(8), Chapter 376, Acts of the 69th Legislature, Regular Session, 1985, authorizes the district to develop comprehensive plans for the most efficient use of groundwater and for the control and prevention of waste of that groundwater. The revised law omits the provision as superseded by Section 36.1071, Water Code, which requires groundwater conservation districts to develop a comprehensive management plan with certain mandatory components. Section 36.052(b), Water Code, added by Chapter 1010, Acts of the 75th Legislature, Regular Session, 1997, provides that certain sections of Chapter 36, including Section 36.1071, prevail over a conflicting or inconsistent provision of a special law that governs a specific district. The omitted law reads:

Sec. 5. [The district . . . may:]

. . .

(8) develop comprehensive plans for the most efficient use of the underground water of any underground water reservoir in the district and for the control and prevention of waste of that underground water, with the plans to specify in the amount of detail that may be practicable the acts, procedure, performance, and avoidance that are or may be necessary to carry out those plans, including specifications;

. . .

(4) Section 5(11), Chapter 376, Acts of the 69th Legislature, Regular Session, 1985, provides that the district may publish and disseminate to certain persons plans and information and encourage the adoption and execution of the plans. The revised law omits the provision because it duplicates, in substance, Section 36.110, Water Code. The omitted law reads:

Sec. 5. [The district . . . may:]

. . .

(11) publish plans and information, bring them to the notice and attention of the users of the underground water in the district, and encourage their

1 adoption and execution; and

2 . . .

3 [Sections 8832.110-8832.150 reserved for expansion]

4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

5 Revised Law

6 Sec. 8832.151. FINANCIAL RECORDS. (a) The district shall
7 file with the county treasurer of each county in which the district
8 is located a copy of each audit, board order, or other document
9 relating to district finances. The copy shall be filed not later
10 than the 60th day after the date the audit is completed, the order
11 is adopted, or the other document is finalized.

12 (b) The county treasurer shall maintain a copy of each
13 audit, order, or other document at the county treasurer's main
14 office and shall make the copies available for public inspection
15 during regular office hours. (Acts 69th Leg., R.S., Ch. 376, Sec.
16 7.)

17 Source Law

18 Sec. 7. (a) In addition to other requirements
19 provided by law, the district shall file with the
20 county treasurer of each county in whose jurisdiction
21 the district is located copies of all audits, orders of
22 the board of directors, and other documents relating
23 to district finances. The copies shall be filed within
24 60 days after the audits are completed, the orders are
25 adopted, or the other documents are finalized.

26 (b) The county treasurer shall maintain copies
27 of all audits, orders, and other documents at his main
28 office and shall make them available for public
29 inspection during regular office hours.

30 Revisor's Note

31 Section 7(a), Chapter 376, Acts of the 69th
32 Legislature, Regular Session, 1985, provides that "In
33 addition to other requirements provided by law," the
34 district shall file with the county treasurer of each
35 county in whose jurisdiction the district is located
36 copies of certain documents. The revised law omits the
37 quoted language because an accepted general principle
38 of statutory construction requires a statute to be
39 given cumulative effect with other statutes unless the
40 statute provides otherwise or unless the statute
41 conflicts with another statute. That general

1 principle applies to the revised law.

2 Revisor's Note
3 (End of Subchapter)

4 Section 10, Chapter 376, Acts of the 69th
5 Legislature, Regular Session, 1985, provides that the
6 tax and bond provisions of Chapter 36, Water Code,
7 apply to the district and that the district may call an
8 election under Chapter 36, Water Code, to approve the
9 levy and collection of an ad valorem tax to secure
10 district bonds or a maintenance and operation tax. The
11 revised law omits that provision because Section 5 of
12 the act (revised in this chapter as Section 8832.101)
13 provides that the district may exercise the rights,
14 powers, duties, privileges, and functions provided by
15 Chapter 36, Water Code. The provisions applicable to
16 the district under Section 8832.101 include any tax
17 and bond provisions of Chapter 36, Water Code. The
18 omitted law reads:

19 Sec. 10. The tax and bond provisions
20 of Chapter 36, Water Code, apply to the
21 district. The district may call an election
22 under Chapter 36, Water Code, to approve the
23 levy and collection of:

- 24 (1) an ad valorem tax to secure
25 bonds issued by the district; or
26 (2) a maintenance and operation
27 tax.

28 Revisor's Note
29 (End of Chapter)

30 Sections 1, 2, and 3, Chapter 26, Acts of the 70th
31 Legislature, Regular Session, 1987, validate certain
32 acts of the board taken before April 14, 1987. Those
33 provisions are omitted from the revised law because
34 they served their purposes on the day they took effect
35 and are executed law. Section 311.031(a)(2),
36 Government Code (Code Construction Act), provides that
37 the repeal of a statute does not affect any validation
38 previously made under the statute. Therefore, the
39 omission of the executed validation provision does not

1 affect the validation. The omitted law reads:

2 Sec. 1. In this Act, "district" means
3 the Collingsworth County Underground Water
4 Conservation District.

5 Sec. 2. All resolutions, orders, and
6 other acts or attempted acts of the board of
7 directors of the district, including the
8 calling and holding of the confirmation and
9 directors' election, the canvassing of the
10 returns, declaring the results of the
11 election, and the organization of the
12 board, are validated in all respects. All
13 resolutions, orders, acts, or attempted
14 acts of the board of directors of the
15 district, including the calling and holding
16 of the confirmation and directors'
17 election, the canvassing of the returns,
18 declaring the results of the election, and
19 the organization of the board, are valid as
20 though they were originally legally
21 authorized or accomplished.

22 Sec. 3. This Act does not apply to or
23 affect litigation now pending in any court
24 of competent jurisdiction in this state to
25 which the district is a party.

26 CHAPTER 8834. FORT BEND SUBSIDENCE DISTRICT

27 SUBCHAPTER A. GENERAL PROVISIONS

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34 [Sections 8834.007-8834.050 reserved for expansion]

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34	CHAPTER 8834. FORT BEND SUBSIDENCE DISTRICT		

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Revised Law

3 Sec. 8834.001. DEFINITIONS. In this chapter:

4 (1) "Beneficial use" means any use that is useful or
5 beneficial to the user, including:

6 (A) an agricultural, gardening, domestic, stock
7 raising, municipal, mining, manufacturing, industrial, commercial,
8 or recreational use, or a use for pleasure purposes; or

9 (B) exploring for, producing, handling, or
10 treating oil, gas, sulfur, or other minerals.

11 (2) "Board" means the district's board of directors.

12 (3) "Commission" means the Texas Commission on
13 Environmental Quality.

14 (4) "District" means the Fort Bend Subsidence
15 District.

16 (5) "Groundwater" means water existing below the
17 earth's surface in the district. The term does not include water
18 produced with oil in the production of oil and gas.

19 (6) "Subsidence" means the lowering in elevation of
20 the surface of land by groundwater withdrawal.

21 (7) "Waste" means:

22 (A) groundwater withdrawal from a groundwater
23 reservoir at a rate and in an amount that causes or threatens to
24 cause intrusion into the reservoir of water unsuitable for
25 agricultural, gardening, domestic, or stock raising purposes;

26 (B) groundwater withdrawal from a groundwater
27 reservoir through a well if the water withdrawn is not used for a
28 beneficial use or if the amount used is more than is reasonably
29 required for a beneficial use;

30 (C) escape of groundwater from a groundwater
31 reservoir to any other reservoir or geologic strata that does not
32 contain groundwater;

33 (D) pollution or harmful alteration of
34 groundwater in a groundwater reservoir by saltwater or other

1 harmful matter admitted from another stratum or from the surface of
2 the ground;

3 (E) unless the discharge is authorized by a
4 permit, rule, or order issued by the commission under Chapter 26,
5 Water Code, wilfully or negligently causing, suffering, or allowing
6 groundwater to escape or flow:

7 (i) into a river, creek, natural
8 watercourse, depression, lake, reservoir, drain, sewer, street,
9 highway, road, or road ditch; or

10 (ii) onto land that does not belong to the
11 owner of the well;

12 (F) unless the occupant of the land receiving the
13 discharge granted permission for the discharge, the escape of
14 groundwater pumped for irrigation as irrigation tailwater onto land
15 that does not belong to the owner of the well; or

16 (G) wilfully causing or knowingly permitting the
17 water withdrawn from an artesian well to run off the owner's land or
18 to percolate through the stratum above which the water is found, as
19 prescribed by Section 11.205, Water Code.

20 (8) "Well" means a facility, device, or method used to
21 withdraw groundwater.

22 (9) "Withdrawal" means the act of extracting by
23 pumping or another method. (Acts 71st Leg., R.S., Ch. 1045, Secs.
24 2(2), (3), (4), (5), (6), (8), (9), (11), (15).)

25 Source Law

26 Sec. 2. In this Act:

27 (2) "District" means the Fort Bend
28 Subsidence District.

29 (3) "Board" means the board of directors
30 of the Fort Bend Subsidence District.

31 (4) "Groundwater" means water existing
32 below the earth's surface within the district, but does
33 not include water produced with oil in the production
34 of oil and gas.

35 (5) "Well" means a facility, device, or
36 method used to withdraw groundwater.

37 (6) "Withdraw" means the act of extracting
38 groundwater by pumping or some other method.

39 (8) "Subsidence" means the lowering in
40 elevation of the surface of land by the withdrawal of
41 groundwater.

1 (9) "Commission" means the Texas
2 Commission on Environmental Quality.

3 (11) "Beneficial use" means any use that
4 is useful or beneficial to the user, including:

5 (A) an agricultural, gardening,
6 domestic, stock raising, municipal, mining,
7 manufacturing, industrial, commercial, or
8 recreational use, or a use for pleasure purposes; or

9 (B) exploring for, producing,
10 handling, or treating oil, gas, sulfur, or other
11 minerals.

12 (15) "Waste" means:

13 (A) the withdrawal of groundwater
14 from a groundwater reservoir at a rate and in an amount
15 that causes or threatens to cause intrusion into the
16 reservoir of water unsuitable for agricultural,
17 gardening, domestic, or stock raising purposes;

18 (B) the flowing or producing of wells
19 from a groundwater reservoir if the water produced is
20 not used for a beneficial use or if the amount used is
21 more than is reasonably required for a beneficial use;

22 (C) the escape of groundwater from a
23 groundwater reservoir to any other reservoir or
24 geologic strata that does not contain groundwater;

25 (D) the pollution or harmful
26 alteration of groundwater in a groundwater reservoir
27 by saltwater or other harmful matter admitted from
28 another stratum or from the surface of the ground;

29 (E) wilfully or negligently causing,
30 suffering, or allowing groundwater to escape or flow
31 into a river, creek, natural watercourse, depression,
32 lake, reservoir, drain, sewer, street, highway, road,
33 or road ditch, or onto land that does not belong to the
34 owner of the well unless the discharge is authorized by
35 a permit, rule, or order issued by the commission under
36 Chapter 26, Water Code;

37 (F) the escape of groundwater pumped
38 for irrigation as irrigation tailwater onto land that
39 does not belong to the owner of the well unless the
40 occupant of the land receiving the discharge granted
41 permission for the discharge; or

42 (G) wilfully causing or knowingly
43 permitting the water produced from an artesian well to
44 run off the owner's land or to percolate through the
45 stratum above which the water is found, as prescribed
46 by Section 11.205, Water Code.

47 Revisor's Note

48 (1) Section 2(6), Chapter 1045, Acts of the 71st
49 Legislature, Regular Session, 1989, defines
50 "withdraw." The revised law substitutes "withdrawal"
51 for "withdraw" because "withdrawal" is the term used
52 in the chapter. The revised law omits the reference to
53 "groundwater" found in the source law definition
54 because each instance of "withdrawal" in the revised
55 law is clearly in the context of groundwater
56 withdrawal.

1 (2) Section 2(1), Chapter 1045, Acts of the 71st
2 Legislature, Regular Session, 1989, defines "person"
3 as including "a corporation, . . . and any other legal
4 entity." The revised law omits the definition because
5 it duplicates, in substance, the definition of
6 "person" provided by Section 311.005(2), Government
7 Code (Code Construction Act). The omitted law reads:

8 (1) "Person" includes a
9 corporation, individual, organization,
10 government, governmental subdivision or
11 agency, business trust, estate, trust,
12 partnership, or association, and any other
13 legal entity.

14 (3) Sections 2(10), (12), (13), and (14),
15 Chapter 1045, Acts of the 71st Legislature, Regular
16 Session, 1989, define "agricultural crop," "florist
17 item," "nursery grower," and "nursery product." Those
18 definitions are omitted from the revised law because
19 those terms appear nowhere else in the source law. The
20 omitted law reads:

21 (10) "Agricultural crop":

22 (A) means food or fiber
23 commodities that are grown for resale or
24 commercial purposes and that are to be used
25 for food, clothing, or animal feed; and

26 (B) includes nursery
27 products and florist items that are in the
28 possession of a nursery grower.

29 (12) "Florist item" means a cut
30 flower, potted plant, blooming plant,
31 inside foliage plant, bedding plant,
32 corsage flower, cut foliage, floral
33 decoration, or live decorative material.

34 (13) "Nursery grower" means a
35 person who grows in any medium more than 50
36 percent of the nursery products or florist
37 items that the person sells or leases. A
38 person grows a nursery product or florist
39 item if the person cultivates or propagates
40 the product or item by engaging in
41 activities associated with the production
42 or multiplying of stock, including the
43 development of new plants from cuttings,
44 grafts, plugs, or seedlings. The term does
45 not include a person who merely holds or
46 maintains a nursery product or florist item
47 before sale or lease.

48 (14) "Nursery product" includes
49 a tree, shrub, vine, cutting, graft, scion,
50 grass, bulb, or bud that is grown or kept
51 for, or capable of, propagation and
52 distribution for sale or lease.

1 contributes to or precipitates flooding or overflow in the
2 district, including rising water resulting from a storm or
3 hurricane.

4 (b) The legislature intends that the district administer
5 and enforce this chapter and exercise the district's rights,
6 powers, and duties in a manner that will effectively and
7 expeditiously accomplish the purposes of this chapter. (Acts 71st
8 Leg., R.S., Ch. 1045, Sec. 1.)

9 Source Law

10 Sec. 1. (a) The purpose of this Act is to
11 provide for the regulation of the withdrawal of
12 groundwater within the district created by this Act to
13 prevent subsidence, which contributes to or
14 precipitates flooding, inundation, or overflow of
15 areas within the district, including rising waters
16 resulting from storms or hurricanes.

17 (b) It is the intent of the legislature that the
18 district created by this Act shall administer and
19 enforce the terms of this Act and shall exercise its
20 rights, powers, and duties in a manner that will
21 effectively and expeditiously accomplish the purposes
22 of this Act.

23 Revisor's Note

24 Section 1(a), Chapter 1045, Acts of the 71st
25 Legislature, Regular Session, 1989, refers to
26 subsidence, which precipitates "flooding [or]
27 inundation." The revised law omits "inundation"
28 because, in context, the meaning of that term is
29 included in the meaning of "flooding."

30 Revised Law

31 Sec. 8834.004. FINDINGS OF PUBLIC USE AND BENEFIT. The
32 district is created to serve a public use and benefit. (Acts 71st
33 Leg., R.S., Ch. 1045, Sec. 3(b).)

34 Source Law

35 (b) The district is created to serve a public
36 use and benefit.

37 Revised Law

38 Sec. 8834.005. DISTRICT TERRITORY. The district includes
39 the territory in Fort Bend County unless the district's territory
40 has been modified under other law. (Acts 71st Leg., R.S., Ch. 1045,
41 Sec. 4; New.)

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Source Law

Sec. 4. The district includes all of the territory within Fort Bend County.

Revisor's Note

The revision of the law governing the district revises the statutory language describing the territory of the district. Because the district's boundaries are subject to change, that description may not be accurate on the effective date of the revision or at the time of a later reading. For the reader's convenience, the revised law includes a reference to the general authority of the legislature to enact other laws to change the district's territory.

Revised Law

Sec. 8834.006. CERTAIN OTHER STATUTES INAPPLICABLE. Other laws governing the administration or operation of a conservation and reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, including Chapters 36 and 49, Water Code, do not apply to the district. (Acts 71st Leg., R.S., Ch. 1045, Sec. 4A(a).)

Source Law

Sec. 4A. (a) Other laws governing the administration or operation of conservation and reclamation districts created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, including Chapters 36 and 49, Water Code, do not apply to the district.

Revisor's Note

Section 4A(b), Chapter 1045, Acts of the 71st Legislature, Regular Session, 1989, provides that, regardless of Section 36.052, Water Code, Chapter 1045 prevails over another law in the case of a conflict or other inconsistency. The revised law omits that provision because it duplicates, in substance, Section 311.026, Government Code (Code Construction Act). It is unnecessary to mention Section 36.052, Water Code, because Section 4A(a), Chapter 1045, revised as this

1 section, provides that Chapter 36 does not apply to the
2 district. The omitted law reads:

3 (b) Notwithstanding Section 36.052,
4 Water Code, this chapter prevails over any
5 other law in conflict or inconsistent with
6 this Act.

7 [Sections 8834.007-8834.050 reserved for expansion]

8 SUBCHAPTER B. DISTRICT ADMINISTRATION

9 Revised Law

10 Sec. 8834.051. DIRECTORS. (a) The district is governed by
11 a board of 13 directors appointed as provided by this section.

12 (b) Directors serve two-year terms.

13 (c) A director must be a qualified voter of the district.

14 (d) The persons designated by Subsections (e), (f), and (g)
15 shall appoint directors in January to fill vacancies caused by the
16 expiration of directors' terms. The district shall mail notice
17 regarding the necessity of an appointment to the persons designated
18 by Subsections (e), (f), and (g) not later than the 20th day before
19 the date of the board's January meeting.

20 (e) The mayor of each of the following municipalities shall
21 appoint a director from the mayor's respective municipality:

22 (1) Houston;

23 (2) Missouri City;

24 (3) Stafford;

25 (4) Sugar Land;

26 (5) Rosenberg; and

27 (6) Richmond.

28 (f) The Commissioners Court of Fort Bend County shall
29 appoint:

30 (1) two directors who represent agricultural
31 interests and live in an unincorporated area;

32 (2) two directors who represent industrial interests;
33 and

34 (3) two directors who represent business interests.

35 (g) The mayors of Fort Bend County municipalities other than
36 those listed in Subsection (e) shall appoint one director jointly.

1 (Acts 71st Leg., R.S., Ch. 1045, Secs. 5(a), (b), (c), (d), (f), (h)
2 (part), (j) (part).)

3 Source Law

4 Sec. 5. (a) The district is governed by a board
5 of 13 directors.

6 (b) One director from each of the following
7 cities in Fort Bend County shall be appointed by the
8 mayor of the respective city:

- 9 (1) Houston;
10 (2) Missouri City;
11 (3) Stafford;
12 (4) Sugar Land;
13 (5) Rosenberg; and
14 (6) Richmond.

15 (c) The Commissioners Court of Fort Bend County
16 shall appoint two directors who represent agricultural
17 interests and live in an unincorporated area, two
18 directors who represent industrial interests, and two
19 directors who represent business interests.

20 (d) One director shall be appointed by the
21 mayors of the incorporated cities within the county
22 not listed in Subsection (b) of this section.

23 (f) All directors must be residents of and
24 qualified voters in the district.

25 (h) Selection of . . . directors shall be made
26 each January. Not later than the 20th day before the
27 date of the board's January meeting, the district shall
28 mail notice to the persons designated in Subsections
29 (b), (c), and (d) of this section to choose directors.

30 (j) . . . members of the board shall serve for
31 terms of two years.

32 Revisor's Note

33 (1) Section 5, Chapter 1045, Acts of the 71st
34 Legislature, Regular Session, 1989, refers to a "city"
35 and to "incorporated cities." The revised law
36 substitutes "municipality" for "city" because the
37 terms are synonymous and "municipality" is the term
38 used in the Local Government Code. The revised law
39 omits "incorporated" because, under the Local
40 Government Code, all municipalities must be
41 incorporated.

42 (2) Section 5(f), Chapter 1045, Acts of the 71st
43 Legislature, Regular Session, 1989, provides that
44 directors "must be residents of and qualified voters
45 in the district." The revised law omits as unnecessary
46 the requirement that a director be a resident of the

1 district. Section 11.001(a)(2), Election Code,
2 provides that to be eligible to vote in an election, a
3 person must be a resident of the territory covered by
4 the election. As a result, a person must reside in the
5 district to be a qualified voter of the district.

6 (3) Sections 5(h), (i), and (j), Chapter 1045,
7 Acts of the 71st Legislature, Regular Session, 1989,
8 contain provisions regarding the terms of office for
9 initial directors. Because the terms of the initial
10 directors have expired, the revised law omits the
11 provisions as executed. The omitted law reads:

12 (h) [Selection of] subsequent
13 [directors]

14 (i) The terms of office for the
15 initial directors shall be as follows:

16 (1) five members chosen under
17 Subsection (b) of this section and four
18 members chosen under Subsection (c) of this
19 section shall serve for terms expiring
20 January 31, 1991; and

21 (2) one member chosen under
22 Subsection (b) of this section, two members
23 chosen under Subsection (c) of this
24 section, and the member chosen under
25 Subsection (d) of this section shall serve
26 for terms expiring January 31, 1990.

27 (j) Except as provided by Subsection
28 (i) of this section,

29 Revised Law

30 Sec. 8834.052. BOARD POWERS AND DUTIES. (a) The board has
31 all powers necessary or convenient to carry out its
32 responsibilities and accomplish the purpose of this chapter,
33 whether the powers are specifically authorized by this chapter or
34 are implied by this chapter or other law.

35 (b) The board shall administer this chapter as provided by
36 Section 8834.003. (Acts 71st Leg., R.S., Ch. 1045, Secs. 6(a),
37 (d).)

38 Source Law

39 Sec. 6. (a) The board shall administer this Act
40 as provided by Section 1 of this Act.

41 (d) The board has all other powers necessary or
42 convenient to carry out its responsibilities and
43 achieve the purpose of this Act, whether the powers are
44 specifically authorized by this Act or implied by this
45 Act or other law.

1 Revised Law

2 Sec. 8834.053. OFFICIAL BOARD ACTIONS. The affirmative
3 vote of a majority of the directors is required for any official
4 board action. (Acts 71st Leg., R.S., Ch. 1045, Sec. 5(q) (part).)

5 Source Law

6 (q) . . . An official act of the board is not
7 valid without the affirmative vote of a majority of the
8 directors.

9 Revised Law

10 Sec. 8834.054. DIRECTOR'S BOND. (a) A director shall
11 execute a bond that is:

12 (1) for \$5,000;

13 (2) payable to the district; and

14 (3) conditioned on the faithful performance of the
15 director's duties.

16 (b) The district shall pay for the bond. (Acts 71st Leg.,
17 R.S., Ch. 1045, Sec. 5(p) (part).)

18 Source Law

19 (p) Each director . . . shall execute a bond in
20 the amount of \$5,000, payable to the district,
21 conditioned on the faithful performance of the
22 director's duties. The district shall pay for the bond.

23 Revisor's Note

24 Section 5(p), Chapter 1045, Acts of the 71st
25 Legislature, Regular Session, 1989, requires each
26 director to make the sworn statement and take the
27 constitutional oath of office prescribed by the Texas
28 Constitution. The revised law omits that provision
29 because Section 1, Article XVI, Texas Constitution,
30 requires all officers, before assuming office, to take
31 the oath or affirmation and subscribe to the sworn or
32 affirmed statement. The omitted law reads:

33 (p) [Each director] shall make the
34 sworn statement and take the oath of office
35 prescribed by the constitution for public
36 officers and

37 Revised Law

38 Sec. 8834.055. OFFICERS. (a) Each year, at the first

1 meeting after the new directors take office, the directors shall
2 select a president, a vice president, and a secretary.

3 (b) An officer selected under Subsection (a) serves at the
4 will of the board and may be removed and replaced by a majority of
5 the board at any time.

6 (c) The president shall preside over meetings of the board.
7 If the president is not present, the vice president shall preside.
8 (Acts 71st Leg., R.S., Ch. 1045, Secs. 5(1), (m).)

9 Source Law

10 (l) Each year at the first meeting after new
11 directors take office, the directors shall select a
12 chairman, a vice-chairman, and a secretary. The
13 chairman, vice-chairman, and secretary shall serve at
14 the pleasure of the board and may be removed and
15 replaced by a majority of the board at any time.

16 (m) The chairman shall preside over meetings of
17 the board. If the chairman is not present, the
18 vice-chairman shall preside.

19 Revisor's Note

20 Section 5, Chapter 1045, Acts of the 71st
21 Legislature, Regular Session, 1989, refers to the
22 "chairman" and "vice-chairman" of the board.
23 Throughout this chapter, the revised law substitutes
24 "president" for "chairman" and "vice president" for
25 "vice-chairman" to avoid the use of a gender-based
26 term. In the context in which the terms are used, the
27 terms have the same meaning.

28 Revised Law

29 Sec. 8834.056. MEETINGS. (a) The board shall hold one
30 regular meeting each month at a time set by the board.

31 (b) The board may hold a special meeting at the call of the
32 president or on the written request of at least three directors.
33 (Acts 71st Leg., R.S., Ch. 1045, Sec. 5(r) (part).)

34 Source Law

35 (r) The board shall hold one regular meeting
36 each month at a time set by the board. The board may
37 hold special meetings at the call of the chairman or on
38 the written request of at least three directors. . . .

39 Revised Law

40 Sec. 8834.057. APPLICABILITY OF OPEN MEETINGS LAW. (a) The

1 board shall give notice of board meetings as provided by Chapter
2 551, Government Code. Failure to provide notice of a regular
3 meeting or an insubstantial defect in notice of any meeting does not
4 affect the validity of any action taken at the meeting.

5 (b) A meeting of a committee of the board is not subject to
6 Chapter 551, Government Code, if less than a quorum is present at
7 the meeting. (Acts 71st Leg., R.S., Ch. 1045, Sec. 5(r) (part).)

8 Source Law

9 (r) . . . A meeting of a committee of the board
10 where less than a quorum is present is not subject to
11 Chapter 551, Government Code. The board shall give
12 notice of board meetings as provided by Chapter 551,
13 Government Code. Failure to provide notice of a
14 regular meeting or an insubstantial defect in notice
15 of any meeting does not affect the validity of any
16 action taken at the meeting.

17 Revised Law

18 Sec. 8834.058. COMPENSATION AND REIMBURSEMENT OF
19 DIRECTORS. (a) A director is entitled to receive fees of office of
20 not more than \$150 a day for each day the director is engaged in the
21 exercise of the director's duties. The fees of office may not exceed
22 \$9,000 a year.

23 (b) A director is entitled to receive reimbursement for
24 actual expenses reasonably and necessarily incurred in the exercise
25 of the director's duties under this chapter.

26 (c) To receive fees of office and reimbursement for
27 expenses, a director must file with the district a verified
28 statement that:

29 (1) shows the number of days spent in the service of
30 the district; and

31 (2) provides a general description of the duties
32 performed for each day of service. (Acts 71st Leg., R.S., Ch. 1045,
33 Sec. 5(n).)

34 Source Law

35 (n) Each director is entitled to receive fees of
36 office of not more than \$150 a day for each day the
37 director is engaged in the exercise of the director's
38 duties. The fees of office may not exceed \$9,000 a
39 year. Each director is also entitled to receive
40 reimbursement for actual expenses reasonably and
41 necessarily incurred in the exercise of the director's

1 duties under this Act. To receive fees of office and
2 reimbursement for expenses, each director must file
3 with the district a verified statement that shows the
4 number of days spent in the service of the district and
5 a general description of the duties performed for each
6 day of service.

7 Revised Law

8 Sec. 8834.059. VACANCIES. If a vacancy occurs on the board,
9 the person or persons designated by Section 8834.051 to appoint a
10 director for the position that is vacated shall appoint a director
11 to serve the unexpired term. (Acts 71st Leg., R.S., Ch. 1045, Sec.
12 5(o).)

13 Source Law

14 (o) If a vacancy occurs on the board, the person
15 or persons designated in Subsection (b), (c), or (d) of
16 this section to appoint a director for the position
17 that is vacated shall appoint a director to serve the
18 unexpired term.

19 Revised Law

20 Sec. 8834.060. DISTRICT POLICIES. The board shall adopt
21 the following written policies:

22 (1) a code of ethics for district directors, officers,
23 and employees and for persons engaged in handling investments for
24 the district;

25 (2) a policy relating to travel expenditures;

26 (3) a policy relating to district investments;

27 (4) policies and procedures for the selection,
28 monitoring, or review and evaluation of professional services; and

29 (5) policies that ensure a better use of management
30 information, including the use of:

31 (A) budgets to plan and control cost; and

32 (B) uniform reporting requirements based on
33 "Audits of State and Local Governmental Units," published by the
34 American Institute of Certified Public Accountants, and
35 "Governmental Accounting and Financial Reporting Standards,"
36 published by the Governmental Accounting Standards Board. (Acts
37 71st Leg., R.S., Ch. 1045, Sec. 6(g).)

38 Source Law

39 (g) The board shall adopt the following written
40 policies:

1 (1) a code of ethics for district
2 directors, officers, and employees, and persons who
3 are engaged in handling investments for the district;
4 (2) a policy relating to travel
5 expenditures;
6 (3) a policy relating to district
7 investments;
8 (4) policies and procedures for selection,
9 monitoring, or review and evaluation of professional
10 services; and
11 (5) policies that ensure a better use of
12 management information, including the use of:
13 (A) budgets to plan and control cost;
14 and
15 (B) uniform reporting requirements
16 based on "Audits of State and Local Governmental
17 Units," published by the American Institute of
18 Certified Public Accountants, and "Governmental
19 Accounting and Financial Reporting Standards,"
20 published by the Governmental Accounting Standards
21 Board.

22 Revised Law

23 Sec. 8834.061. GENERAL MANAGER. (a) The board may employ a
24 general manager to serve as the chief administrative officer of the
25 district. The district may contract with any person to perform the
26 general manager's duties.

27 (b) The board may delegate to the general manager the
28 authority to manage and operate the affairs of the district subject
29 only to orders of the board.

30 (c) The duties of the general manager include:

- 31 (1) administering board orders;
32 (2) coordinating with state, federal, and local
33 agencies;
34 (3) supervising development of district plans and
35 programs;
36 (4) preparing and submitting the annual budget to the
37 board; and
38 (5) performing other duties assigned by the board.

39 (d) The general manager shall execute a bond that is:

- 40 (1) in an amount set by the board;
41 (2) payable to the district; and
42 (3) conditioned on the general manager's faithful
43 performance of the general manager's duties.

44 (e) The district shall pay for the bond described under
45 Subsection (d).

1 (f) The board shall determine the compensation and terms of
2 office and employment for the general manager.

3 (g) The board by a vote of a majority of board members may
4 discharge the general manager. (Acts 71st Leg., R.S., Ch. 1045,
5 Sec. 7.)

6 Source Law

7 Sec. 7. (a) The board may employ a general
8 manager who shall be the chief administrative officer
9 of the district. The board may delegate to the general
10 manager the authority to manage and operate the
11 affairs of the district subject only to orders of the
12 board.

13 (b) The duties of the general manager include:

14 (1) administration of the orders of the
15 board;

16 (2) coordination with state, federal, and
17 local agencies;

18 (3) supervision of the development of
19 plans and programs of the district;

20 (4) preparation and submission of the
21 annual budget to the board; and

22 (5) other duties assigned by the board.

23 (c) The general manager shall execute a bond in
24 an amount determined by the board, payable to the
25 district, conditioned on the faithful performance of
26 his duties. The district shall pay for the bond.

27 (d) The district may contract with any person to
28 perform the duties of general manager.

29 (e) The board shall determine the compensation
30 and terms of office and employment for the general
31 manager. The board may discharge the general manager
32 by a vote of a majority of board members.

33 Revised Law

34 Sec. 8834.062. PERSONNEL. (a) The general manager shall
35 employ personnel necessary to properly handle district business and
36 operation. The general manager may employ attorneys, bookkeepers,
37 engineers, and other expert and specialized personnel considered
38 necessary.

39 (b) The general manager shall determine the compensation
40 paid to district employees.

41 (c) The general manager may discharge a district employee.
42 (Acts 71st Leg., R.S., Ch. 1045, Secs. 8(a), (b).)

43 Source Law

44 Sec. 8. (a) The general manager shall employ
45 personnel necessary for the proper handling of the
46 business and operation of the district and may employ
47 attorneys, bookkeepers, engineers, and other expert
48 and specialized personnel that are considered
49 necessary. The general manager shall determine the
50 compensation to be paid by the district to the

1 employees.

2 (b) The general manager may discharge employees
3 of the district.

4 Revised Law

5 Sec. 8834.063. BENEFITS. (a) The board may provide for and
6 administer retirement, disability, and death compensation funds
7 for the employees of the district.

8 (b) The board may:

9 (1) establish a public retirement system as provided
10 by Chapter 810, Government Code; or

11 (2) provide for a deferred compensation plan as
12 described by Section 457, Internal Revenue Code of 1986.

13 (c) The board may:

14 (1) include hospitalization and medical benefits for
15 district employees as part of the compensation paid to the
16 employees; and

17 (2) adopt or amend a plan or rule as necessary to
18 provide the benefits described by Subdivision (1).

19 (d) The board may establish a sick leave pool for district
20 employees in the manner provided for state employees by Subchapter
21 A, Chapter 661, Government Code. (Acts 71st Leg., R.S., Ch. 1045,
22 Secs. 8(d), (e), (f), (g).)

23 Source Law

24 (d) The board may provide for and administer
25 retirement, disability, and death compensation funds
26 for the employees of the district.

27 (e) The board may establish a public retirement
28 system as provided by Chapter 810, Government Code, or
29 provide for a deferred compensation plan as described
30 by Section 457, Internal Revenue Code of 1986.

31 (f) The board may include hospitalization and
32 medical benefits for its employees as part of the
33 compensation paid to employees and may adopt or amend
34 any plan or rule as necessary to provide
35 hospitalization and medical benefits.

36 (g) The board may establish a sick leave pool
37 for employees of the district in the same manner as a
38 sick leave pool for state employees is authorized to be
39 created under Subchapter A, Chapter 661, Government
40 Code.

41 Revised Law

42 Sec. 8834.064. BOND FOR EMPLOYEE RESPONSIBLE FOR MONEY.

43 (a) The board shall require an employee who collects, pays, or
44 handles district money to provide a good and sufficient bond that

1 is:

2 (1) in an amount sufficient to safeguard the district;

3 (2) payable to the district; and

4 (3) conditioned on:

5 (A) the faithful performance of the employee's
6 duties; and

7 (B) accounting for all district money and
8 property under the employee's control.

9 (b) The district shall pay for the bond. (Acts 71st Leg.,
10 R.S., Ch. 1045, Sec. 8(c).)

11 Source Law

12 (c) The board shall require an employee who
13 collects, pays, or handles funds of the district to
14 furnish good and sufficient bond, payable to the
15 district, for a sufficient amount to safeguard the
16 district. The bond shall be conditioned on the
17 faithful performance of the employee's duties and on
18 accounting for all funds and property of the district
19 under the employee's control. The district shall pay
20 for the bond.

21 Revisor's Note

22 Section 8(c), Chapter 1045, Acts of the 71st
23 Legislature, Regular Session, 1989, refers to monetary
24 assets of the district as "funds." Throughout this
25 chapter, the revised law substitutes "money" for
26 "funds" because, in context, the meaning is the same
27 and "money" is the more commonly used term.

28 Revised Law

29 Sec. 8834.065. DISTRICT OFFICE. The board shall maintain
30 its principal office in the district for conducting district
31 business. The office must be in the district. (Acts 71st Leg.,
32 R.S., Ch. 1045, Sec. 9.)

33 Source Law

34 Sec. 9. The board shall maintain its principal
35 office for conducting the business of the district.
36 The office must be located inside the district.

37 Revised Law

38 Sec. 8834.066. MAINTENANCE OF RECORDS; PUBLIC INSPECTION.

39 (a) The district shall:

1 (1) keep a complete account of board meetings and
2 proceedings; and

3 (2) maintain in a safe place the board's minutes,
4 contracts, records, notices, accounts, and receipts.

5 (b) The board's minutes, contracts, records, notices,
6 accounts, and receipts are:

7 (1) the property of the district; and

8 (2) subject to public inspection. (Acts 71st Leg.,
9 R.S., Ch. 1045, Sec. 10.)

10 Source Law

11 Sec. 10. The district shall keep a true and
12 complete account of the board's meetings and
13 proceedings and shall preserve the board's minutes,
14 contracts, records, notices, accounts, and receipts in
15 a safe place. The board's minutes, contracts, records,
16 notices, accounts, and receipts are the property of
17 the district and are subject to public inspection.

18 Revisor's Note

19 Section 10, Chapter 1045, Acts of the 71st
20 Legislature, Regular Session, 1989, requires the board
21 to keep a "true" account of all board meetings and
22 proceedings. The revised law omits the reference to
23 "true" because the requirement that an account be kept
24 presumes the requirement that the account be true. In
25 addition, under Section 37.10, Penal Code, a person
26 who knowingly makes a false entry in a governmental
27 record commits the offense of tampering with a
28 governmental record.

29 Revised Law

30 Sec. 8834.067. SEAL. The board shall adopt a seal. (Acts
31 71st Leg., R.S., Ch. 1045, Sec. 12.)

32 Source Law

33 Sec. 12. The board shall adopt a seal.

34 Revisor's Note
35 (End of Subchapter)

36 Section 5(q), Chapter 1045, Acts of the 71st
37 Legislature, Regular Session, 1989, provides that a
38 majority of the board constitutes a quorum for the

1 transaction of business. The revised law omits that
2 provision because it duplicates Section 311.013,
3 Government Code (Code Construction Act), which
4 provides that a quorum of a public body is a majority
5 of the number of members fixed by statute. The omitted
6 law reads:

7 (q) A majority of the directors
8 constitute a quorum for transaction of
9 business of the district. . . .

10 [Sections 8834.068-8834.100 reserved for expansion]

11 SUBCHAPTER C. POWERS AND DUTIES

12 Revised Law

13 Sec. 8834.101. DISTRICT PLAN. (a) The board shall
14 formulate a plan to control and mitigate subsidence in the
15 district.

16 (b) The plan must:

17 (1) regulate groundwater withdrawals to maintain
18 sufficient artesian pressure to control and mitigate subsidence;
19 and

20 (2) specify in as much detail as practicable the acts,
21 procedures, performance, and avoidance that are necessary to carry
22 out the purpose of this chapter.

23 (c) When formulating the plan, the board shall compile and
24 consider:

25 (1) a list of wells in the district subject to
26 regulation under this chapter;

27 (2) a list of all available sources of water, other
28 than groundwater, in the district;

29 (3) the purpose for which the water is used and for
30 which it is proposed to be used;

31 (4) accurate estimates of:

32 (A) groundwater withdrawal from all wells or
33 proposed wells in the district;

34 (B) the amount of groundwater that may be
35 withdrawn from each area in the district without causing:

- 1 (i) long-term static water level decline;
2 and
3 (ii) reduction of artesian pressure that
4 will lead to subsidence in the district; and
5 (C) current and future water needs in the
6 district;
7 (5) information relating to formulating a permit
8 system; and
9 (6) other information necessary to manage groundwater
10 in the district and to effectively and expeditiously carry out the
11 purpose of this chapter. (Acts 71st Leg., R.S., Ch. 1045, Secs.
12 16(a), (b), (c).)

13 Source Law

14 Sec. 16. (a) The board shall formulate a plan
15 to control and mitigate subsidence within the
16 district. The plan shall accomplish this purpose by
17 the regulation of groundwater withdrawals to maintain
18 sufficient artesian pressure to control and mitigate
19 subsidence.

20 (b) The plan shall specify, in as much detail as
21 practicable, the acts, procedures, performance, and
22 avoidance that are necessary to carry out the purposes
23 of this Act.

24 (c) When formulating the plan, the board shall
25 compile and consider:

26 (1) a list of wells in the district that
27 will be subject to regulation under this Act;

28 (2) an accurate estimate of groundwater
29 production from all wells or proposed wells in the
30 district;

31 (3) an accurate estimate of the amount of
32 groundwater that may be produced from each area in the
33 district without causing long-term static water level
34 decline and reduction of artesian pressure that will
35 lead to subsidence within the district;

36 (4) an accurate estimate of the current
37 and future water needs in the district;

38 (5) a list of all available sources of
39 water in the district other than groundwater;

40 (6) the purpose for which the water is
41 currently used and for which it is proposed to be used
42 in the future;

43 (7) information relating to formulation of
44 a permit system; and

45 (8) other information necessary to carry
46 out the management of groundwater in the district and
47 to effectively and expeditiously accomplish the
48 purposes of this Act.

49 Revised Law

50 Sec. 8834.102. ADOPTION OF DISTRICT PLAN. (a) The board
51 shall hold a hearing to consider a plan formulated under Section

1 8834.101.

2 (b) After the hearing, the board shall:

3 (1) make any changes it considers necessary according
4 to evidence and material presented at the hearing; and

5 (2) adopt the plan.

6 (c) The board may amend or repeal a plan adopted under this
7 section and may adopt a new plan as provided by this section for the
8 adoption of the original plan.

9 (d) An adopted plan remains in effect until a new plan is
10 adopted. (Acts 71st Leg., R.S., Ch. 1045, Secs. 16(f), (g), (h).)

11 Source Law

12 (f) Before a plan is adopted, the board shall
13 hold a hearing to consider the proposed plan.

14 (g) After the hearing, the board shall make any
15 changes it considers necessary based on evidence and
16 material presented at the hearing and shall adopt the
17 plan.

18 (h) The plan adopted under this section may be
19 amended or repealed. A new plan may be adopted in the
20 manner provided in this section for the adoption of the
21 original plan. A plan, once adopted, shall remain in
22 effect until the adoption of a new plan.

23 Revisor's Note

24 Sections 16(d) and (e), Chapter 1045, Acts of the
25 71st Legislature, Regular Session, 1989, require the
26 district to formulate and adopt an initial plan. The
27 revised law omits those provisions as executed because
28 the district has adopted its initial plan. The omitted
29 law reads:

30 (d) The initial plan shall be
31 formulated not later than 12 months after
32 the effective date of this Act.

33 (e) Not later than the 60th day after
34 the date the initial plan is formulated, the
35 board shall review and adopt the plan.

36 Revised Law

37 Sec. 8834.103. WATER CONSERVATION MEASURES. (a) The board
38 may adopt rules requiring the use of water conservation measures to
39 reduce groundwater withdrawals.

40 (b) The district may cooperate with the commission and a
41 local government to establish water conservation goals,
42 guidelines, and plans to be used in the district.

1 (c) The district may contract with a local government in the
2 district to provide services needed to meet water conservation
3 requirements that the commission establishes. (Acts 71st Leg.,
4 R.S., Ch. 1045, Sec. 36.)

5 Source Law

6 Sec. 36. (a) The board may adopt rules
7 requiring the use of water conservation measures to
8 reduce groundwater withdrawals.

9 (b) The district may cooperate with the
10 commission and a local government to establish water
11 conservation goals, guidelines, and plans to be used
12 in the district.

13 (c) The district may contract with a local
14 government in the district to provide services needed
15 to meet water conservation requirements established by
16 the commission.

17 Revised Law

18 Sec. 8834.104. ANNUAL GROUNDWATER WITHDRAWAL
19 DETERMINATION. (a) Before March 31 of each year, the board shall
20 hold a hearing to determine the effects during the preceding
21 calendar year of groundwater withdrawal on subsidence in the
22 district.

23 (b) At the hearing, the board shall consider information
24 provided under Sections 8834.107 and 8834.214 and information
25 presented by persons appearing before the board.

26 (c) After the hearing, the board shall:

27 (1) consider all information presented to it;

28 (2) determine groundwater withdrawal in the district
29 during the preceding calendar year; and

30 (3) make findings on the effects during the preceding
31 calendar year of groundwater withdrawal on subsidence in the
32 district.

33 (d) The board's findings and determinations under
34 Subsection (c) shall be included in a report adopted by the board.
35 The report shall be made available for examination by any
36 interested person.

37 (e) The board shall submit the report adopted under
38 Subsection (d) and a copy of the most recent district plan adopted
39 under Section 8834.101 to the appropriate regional water planning

1 group. (Acts 71st Leg., R.S., Ch. 1045, Sec. 24.)

2 Source Law

3 Sec. 24. (a) Before March 31 of each year, the
4 board shall hold a hearing to determine the effects
5 during the preceding calendar year of groundwater
6 withdrawal on the subsidence of land within the
7 district.

8 (b) At the hearing, the board shall consider the
9 annual reports submitted under Section 22 of this Act
10 and the investigation made under Section 23 of this Act
11 in addition to information presented by persons
12 appearing before the board.

13 (c) After the hearing, the board shall consider
14 all the information presented to it and shall
15 determine the groundwater withdrawal in the district
16 during the preceding calendar year and shall make
17 findings of the effects of groundwater withdrawal
18 during that year on the subsidence of land within the
19 district. A report of the board's findings and
20 determinations shall be made available for examination
21 by any interested person.

22 (d) The board shall submit the report adopted
23 under Subsection (c) of this section and a copy of the
24 most recent district plan adopted under Section 16 of
25 this Act to the appropriate regional water planning
26 group.

27 Revisor's Note

28 Section 24, Chapter 1045, Acts of the 71st
29 Legislature, Regular Session, 1989, refers to "the
30 subsidence of land." Throughout this chapter, the
31 revised law omits "of land" as redundant because
32 "subsidence" is defined by Section 8834.001(6), as
33 "the lowering in elevation of the surface of land by
34 groundwater withdrawal."

35 Revised Law

36 Sec. 8834.105. MONITORING AND SUPERVISION BY DISTRICT. (a)
37 The district may use subsidence compaction monitors, water-level
38 observation wells, and other materials and equipment to determine
39 the amount of groundwater that may be withdrawn while allowing
40 groundwater to rebound and stabilize to a level that will halt
41 subsidence.

42 (b) The district may use global positioning systems and
43 other geodetic survey methods to monitor land surface elevations
44 and measure subsidence.

45 (c) The district may coordinate monitoring and data
46 collection activities with other entities, including private

1 entities and federal, state, or local governmental entities. (Acts
2 71st Leg., R.S., Ch. 1045, Sec. 28.)

3 Source Law

4 Sec. 28. (a) The district may use subsidence
5 compaction monitors, water level observation wells,
6 and other materials and equipment to determine the
7 amount of groundwater that may be produced while
8 allowing the rebound and stabilization of groundwater
9 to a level that will halt subsidence.

10 (b) The district may use global positioning
11 systems and other geodetic survey methods to monitor
12 land surface elevations and measure subsidence. The
13 district may coordinate monitoring and data collection
14 activities with other entities, including private
15 entities and federal, state, or local governmental
16 entities.

17 Revised Law

18 Sec. 8834.106. DISTRICT RESEARCH. (a) The board may
19 conduct studies and research that the board considers necessary to
20 implement this chapter.

21 (b) The district may collect any information that the board
22 determines is necessary to implement this chapter, including
23 information regarding the use of groundwater, water conservation,
24 and the practicability of recharging a groundwater reservoir.

25 (c) The board may use the services of geologists,
26 hydrologists, licensed engineers, licensed geoscientists, or other
27 expert personnel to accomplish the purposes of this section. (Acts
28 71st Leg., R.S., Ch. 1045, Sec. 29.)

29 Source Law

30 Sec. 29. (a) The board may conduct studies and
31 research that it considers necessary to implement this
32 Act. The board may use the services of geologists,
33 hydrologists, licensed professional engineers,
34 licensed professional geoscientists, or other expert
35 personnel to accomplish the purposes of this section.

36 (b) The district may collect any information
37 that the board determines is necessary to implement
38 this chapter, including information regarding the use
39 of groundwater, water conservation, and the
40 practicability of recharging a groundwater reservoir.

41 Revisor's Note

42 Section 29, Chapter 1045, Acts of the 71st
43 Legislature, Regular Session, 1989, refers to
44 "licensed professional engineers" and "licensed
45 professional geoscientists." The revised law

1 substitutes "licensed engineer" and "licensed
2 geoscientist" for the quoted language to conform to
3 the terminology used in Chapters 1001 and 1002,
4 Occupations Code.

5 Revised Law

6 Sec. 8834.107. STUDIES BY BOARD STAFF. At least once each
7 year and at any other time the board considers necessary, the board
8 may have its staff make a complete study of the groundwater in the
9 district and determine:

10 (1) the water level;

11 (2) the rates and amounts of groundwater withdrawal;

12 and

13 (3) other information relating to groundwater
14 withdrawal that may affect subsidence in the district. (Acts 71st
15 Leg., R.S., Ch. 1045, Sec. 23.)

16 Source Law

17 Sec. 23. At least once each year and at any
18 other time that the board considers necessary, the
19 board may have its staff make a complete study of the
20 groundwater situation within the district and
21 determine the water level, rates of withdrawal,
22 amounts of withdrawal, and other information relating
23 to the withdrawal of groundwater that may affect the
24 subsidence of land within the district.

25 Revised Law

26 Sec. 8834.108. SALE OR DISTRIBUTION OF WATER PROHIBITED.
27 The district may not sell or distribute surface water or
28 groundwater. (Acts 71st Leg., R.S., Ch. 1045, Sec. 38.)

29 Source Law

30 Sec. 38. The district may not sell or distribute
31 surface water or groundwater for any purpose.

32 Revised Law

33 Sec. 8834.109. ACCESS TO PROPERTY. (a) To carry out
34 technical and other investigations necessary to implement this
35 chapter, the board and its agents and employees are entitled to
36 access to all property in the district.

37 (b) Before entering property for the purposes of this
38 section, the person seeking access shall:

1 (1) give notice to the owner of the property as
2 provided by district rules; and

3 (2) present proper credentials.

4 (c) The board and its agents and employees who enter private
5 property shall observe the establishment's rules concerning
6 safety, internal security, and fire protection. (Acts 71st Leg.,
7 R.S., Ch. 1045, Sec. 27.)

8 Source Law

9 Sec. 27. (a) To carry out technical and other
10 investigations necessary to the implementation of this
11 Act, the board and its agents and employees are
12 entitled to access to all property within the
13 district.

14 (b) Before entering property for the purposes
15 stated in Subsection (a) of this section, the person
16 seeking access shall give notice to the owner of the
17 property in the manner provided by the rules and
18 regulations of the district and shall present proper
19 credentials.

20 (c) The board, and its agents and employees who
21 enter private property, shall observe the
22 establishment's rules and regulations concerning
23 safety, internal security, and fire protection.

24 Revised Law

25 Sec. 8834.110. GENERAL POWERS RELATED TO PROPERTY AND
26 CONTRACTS. (a) The board may:

27 (1) purchase, lease, own, convey, and dispose of
28 property both inside and outside district territory necessary or
29 convenient to exercise the board's powers, duties, and functions
30 under this chapter;

31 (2) construct, purchase, lease, or acquire in some
32 other manner any material or property, including supplies,
33 equipment, vehicles, or machinery, necessary to carry out this
34 chapter;

35 (3) accept a grant, gift, or devise of property; or

36 (4) accept a grant, gift, loan, or other distribution
37 of money.

38 (b) The district may make or accept a grant, gratuity,
39 advance, or loan in any form to or from any public source approved
40 by the board, including a governmental entity.

41 (c) The district may enter into a contract, covenant, or

1 agreement the board considers appropriate related to a grant,
2 gratuity, advance, or loan.

3 (d) The board may enter into a contract with any person to
4 carry out this chapter.

5 (e) The district may enter into contracts only in the
6 district's name. (Acts 71st Leg., R.S., Ch. 1045, Secs. 6(f), 31,
7 35.)

8 Source Law

9 [Sec. 6]

10 (f) The board may purchase materials, supplies,
11 equipment, vehicles, and machinery needed by the
12 district to accomplish its purposes.

13 Sec. 31. The board may enter into contracts with
14 any person to carry out this Act. The district may
15 enter into contracts only in the district's name.

16 Sec. 35. (a) On behalf of the district, the
17 board may:

18 (1) purchase, lease, own, convey, and
19 dispose of property both inside and outside the
20 district necessary or convenient to the exercise of
21 the powers, duties, and functions of the board under
22 this Act;

23 (2) accept grants, gifts, and devises of
24 property;

25 (3) construct, purchase, lease, or acquire
26 in some other manner any material or property
27 necessary to carry out this Act; and

28 (4) accept gifts, grants, loans, or other
29 distributions of money.

30 (b) The district may make or accept a grant,
31 gratuity, advance, or loan in any form to or from any
32 public source approved by the board, including a
33 governmental entity, and may enter into a contract,
34 agreement, or covenant that the board considers
35 appropriate in connection with a grant, gratuity,
36 advance, or loan.

37 Revised Law

38 Sec. 8834.111. COOPERATION WITH GOVERNMENTAL ENTITIES. In
39 implementing this chapter, the board may request the assistance of
40 and cooperate with a local government or an agency of this state or
41 of the United States, including the Texas Water Development Board,
42 the commission, and the United States Geological Survey. (Acts
43 71st Leg., R.S., Ch. 1045, Sec. 30.)

44 Source Law

45 Sec. 30. The board may cooperate with and
46 request the assistance of the Texas Water Development
47 Board, the commission, the United States Geological
48 Survey, local governments, and other agencies of the
49 United States and the State of Texas in implementing

1 this Act.

2 Revised Law

3 Sec. 8834.112. RULES. (a) After notice and hearing, the
4 board shall adopt rules designed to expeditiously and effectively
5 implement this chapter and accomplish its purpose, including rules
6 governing procedures before the board. The board shall enforce the
7 rules.

8 (b) The board may adopt rules to prevent the waste of water
9 or the degradation of water quality.

10 (c) The board shall compile its rules in a book and make the
11 book available for use and inspection at the district's principal
12 office. The district shall provide copies of its rules on payment
13 of the reproduction cost. (Acts 71st Leg., R.S., Ch. 1045, Sec.
14 13.)

15 Source Law

16 Sec. 13. (a) After notice and hearing, the
17 board shall adopt and enforce rules and regulations
18 that are designed to expeditiously and effectively
19 accomplish the provisions and purposes of this Act,
20 including rules governing procedure before the board.
21 The board may adopt rules to prevent the waste of water
22 or the degradation of water quality.

23 (b) The board shall compile its rules and
24 regulations in a book and make the book available for
25 use and inspection at the district's principal office.
26 The district shall provide copies of its rules and
27 regulations on payment of the cost of reproduction.

28 Revised Law

29 Sec. 8834.113. CONSIDERATIONS FOR RULES AND ORDERS. When
30 adopting a rule or issuing an order, the board shall consider:

31 (1) the availability of surface water or alternative
32 water supplies;

33 (2) the economic effects on persons and the community;

34 (3) the degree and effect of subsidence on the surface
35 of the land; and

36 (4) the differing topographical and geophysical
37 characteristics of the land. (Acts 71st Leg., R.S., Ch. 1045, Sec.
38 6(c).)

39 Source Law

40 (c) In adopting rules, regulations, and orders,
41 the board shall consider the following factors:

- 1 (1) availability of surface water or
2 alternative water supplies;
3 (2) economic impact on persons and the
4 community;
5 (3) degree and effect of subsidence on the
6 surface of the land; and
7 (4) differing topographical and
8 geophysical characteristics of the land.

9 Revised Law

10 Sec. 8834.114. HEARINGS. (a) At a regular meeting of the
11 board, the board shall set the date, time, and location for a
12 hearing to be held under this chapter.

13 (b) The board may hold a hearing at any location in the
14 district and recess a hearing from day to day.

15 (c) Any person may appear at a hearing and present
16 testimony, evidence, exhibits, or other information in person or by
17 counsel, or both.

18 (d) The board may use a hearing examiner to hear a subject
19 set for the hearing.

20 (e) The board shall make the final decision on a subject
21 heard by a hearing examiner. Procedures for use of hearing
22 examiners shall be provided by rule. (Acts 71st Leg., R.S., Ch.
23 1045, Secs. 14(a), (e), (f), (g), (h).)

24 Source Law

25 Sec. 14. (a) At regular meetings of the board,
26 the board shall set the dates, times, and locations for
27 hearings to be held under this Act.

28 (e) Any person who desires to appear at a
29 hearing and present testimony, evidence, exhibits, or
30 other information may do so in person, by counsel, or
31 both.

32 (f) The board may hold hearings at any location
33 within the district.

34 (g) The board may recess a hearing from day to
35 day.

36 (h) The board may use hearing examiners to hear
37 any subject set for the hearing, but the board shall
38 make any final decision on the subject. Procedures for
39 use of hearing examiners shall be provided by rule.

40 Revised Law

41 Sec. 8834.115. NOTICE OF HEARINGS. (a) Not later than the
42 10th day before the date set for a hearing other than a permit
43 application hearing, the district shall deliver or mail notice of
44 the hearing to:

- 45 (1) each county and municipal government in the

1 district; and

2 (2) each person that the board considers to have an
3 interest in the subject matter of the hearing.

4 (b) Not later than the 10th day before the date set for a
5 hearing, the district shall:

6 (1) publish notice of the hearing once in a newspaper
7 of general circulation in each county in the district; and

8 (2) post notice of the hearing at the county
9 courthouse of each county in the district in the place where notices
10 are usually posted. (Acts 71st Leg., R.S., Ch. 1045, Secs. 14(b),
11 (c), (d).)

12 Source Law

13 (b) Not later than the 10th day before the date
14 set for a hearing, other than a hearing on a permit
15 application, the district shall deliver or mail notice
16 of the hearing under this section to each county and
17 municipal government within the district and to each
18 person that the board believes has an interest in the
19 subject matter to be dealt with at the hearing.

20 (c) Not later than the 10th day before the date
21 set for a hearing, the district shall publish notice of
22 the hearing under this section once in a newspaper of
23 general circulation in each county within the
24 district.

25 (d) Not later than the 10th day before the date
26 set for a hearing, the district shall post the notice
27 of the hearing under this section at the county
28 courthouse of each county within the district in the
29 place where notices are usually posted.

30 Revised Law

31 Sec. 8834.116. BOARD BYLAWS AND POLICIES. The board may
32 adopt bylaws and policies as necessary to accomplish its purposes.
33 (Acts 71st Leg., R.S., Ch. 1045, Sec. 6(e).)

34 Source Law

35 (e) The board may adopt bylaws and policies as
36 necessary to accomplish its purposes.

37 Revised Law

38 Sec. 8834.117. AUTHORITY TO ISSUE SUBPOENAS AND ADMINISTER
39 OATHS. (a) The board may issue a subpoena to compel the testimony
40 of a person or the production of a document if the testimony or
41 document is necessary to carry out the board's powers, duties, and
42 functions under this chapter.

43 (b) On application by the board, a district court shall

1 enforce a subpoena issued under Subsection (a) in the same manner as
2 a subpoena issued by the court.

3 (c) The board may administer an oath to a person who
4 testifies before the board. (Acts 71st Leg., R.S., Ch. 1045, Sec.
5 15.)

6 Source Law

7 Sec. 15. The board may subpoena a person to
8 testify if the person's testimony is necessary to carry
9 out the powers, duties, and functions of the board
10 under this Act. The board may administer oaths to
11 persons who testify before the board. The board may
12 subpoena documents if the documents are necessary to
13 carry out the powers, duties, and functions of the
14 board under this Act. On application of the board, a
15 district court shall enforce the subpoena in the same
16 manner as a subpoena issued by the court.

17 Revised Law

18 Sec. 8834.118. SUITS. (a) The district may sue and be sued
19 in the courts of this state in the name of the district by and
20 through the board.

21 (b) If requested by the district, the attorney general shall
22 represent the district in the district courts and appellate courts
23 of this state and in the courts of the United States.

24 (c) The board, in the board's sole discretion, may employ
25 attorneys to represent the district in the district courts and
26 appellate courts of this state and the courts of the United States.

27 (d) The general manager is the agent of the district on whom
28 process, notice, or demand required or permitted by law to be served
29 on the district may be served.

30 (e) The district is not required to give a bond for appeal,
31 injunction, or costs in any suit to which the district is a party.

32 (f) If the district prevails in any suit other than a suit in
33 which it voluntarily intervenes, the district may seek and the
34 court shall grant, in the same action, recovery for attorney's
35 fees, costs for expert witnesses, and other costs incurred by the
36 district before the court. The court shall set the amount of the
37 attorney's fees. (Acts 71st Leg., R.S., Ch. 1045, Sec. 11.)

38 Source Law

39 Sec. 11. (a) The district may sue and be sued in

1 the courts of this state in the name of the district by
2 and through the board. If requested by the district,
3 the attorney general shall represent the district in
4 the district and appellate courts of this state and in
5 the courts of the United States. The board, in its
6 sole discretion, may employ attorneys to represent the
7 district in the district and appellate courts of this
8 state and in the courts of the United States.

9 (b) The general manager is the agent of the
10 district on whom process, notice, or demand required
11 or permitted by law to be served on the district may be
12 served.

13 (c) The district is not required to give bond
14 for appeal, injunction, or costs in any suit to which
15 it is a party.

16 (d) If the district prevails in any suit other
17 than a suit in which it voluntarily intervenes, the
18 district may seek and the court shall grant, in the
19 same action, recovery for attorney's fees, costs for
20 expert witnesses, and other costs incurred by the
21 district before the court. The court shall set the
22 amount of the attorney's fees.

23 [Sections 8834.119-8834.150 reserved for expansion]

24 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

25 Revised Law

26 Sec. 8834.151. DISBURSEMENT OF MONEY. The district may
27 disburse its money by:

28 (1) a check, draft, order, or other instrument signed
29 by a person authorized under a board bylaw or board resolution; or

30 (2) electronic funds transfer. (Acts 71st Leg., R.S.,
31 Ch. 1045, Sec. 40.)

32 Source Law

33 Sec. 40. The district's money may be disbursed
34 by:

35 (1) check, draft, order, or other
36 instruments, signed by the person or persons
37 authorized to do so by the board's bylaws or by
38 resolution of the board; or

39 (2) electronic funds transfer.

40 Revised Law

41 Sec. 8834.152. DISTRICT ACCOUNTS. The district shall keep
42 a complete system of the district's accounts. (Acts 71st Leg.,
43 R.S., Ch. 1045, Sec. 41(a) (part).)

44 Source Law

45 Sec. 41. (a) The district shall keep a complete
46 system of accounts and

47 Revised Law

48 Sec. 8834.153. FISCAL YEAR. The district's fiscal year is
49 the calendar year. (Acts 71st Leg., R.S., Ch. 1045, Sec. 41(c).)

1 Source Law

2 (c) The fiscal year of the district is the
3 calendar year.

4 Revised Law

5 Sec. 8834.154. BUDGET. (a) The board shall adopt an annual
6 budget containing a complete financial statement.

7 (b) The board may amend the annual budget. (Acts 71st Leg.,
8 R.S., Ch. 1045, Sec. 41(d).)

9 Source Law

10 (d) The board shall adopt an annual budget
11 containing a complete financial statement. The board
12 may amend the annual budget.

13 Revised Law

14 Sec. 8834.155. AUDIT. The district shall have its affairs
15 audited each year by an independent certified public accountant or
16 a firm of independent certified public accountants of recognized
17 integrity and ability. The district shall pay for the audit. (Acts
18 71st Leg., R.S., Ch. 1045, Sec. 41(a) (part).)

19 Source Law

20 Sec. 41. (a) The district . . . shall have its
21 affairs audited each year by an independent certified
22 public accountant or a firm of independent certified
23 public accountants of recognized integrity and
24 ability. The district shall pay for the audit.

25 Revised Law

26 Sec. 8834.156. COPY OF AUDIT. The board shall keep one copy
27 of the audit prepared under Section 8834.155 at the district office
28 open to inspection by any interested person during normal office
29 hours. (Acts 71st Leg., R.S., Ch. 1045, Sec. 41(b).)

30 Source Law

31 (b) The board shall keep one copy of the audit at
32 the district office, open to inspection by any
33 interested person during normal office hours.

34 Revised Law

35 Sec. 8834.157. DEPOSITORY AND INVESTMENTS. (a) Except as
36 provided by Subsection (g), the board shall designate one or more
37 banks in the district to serve as a depository for district money.
38 All district money shall be deposited in a depository bank. This
39 subsection does not limit the power of the board to place a portion

1 of the district's money on time deposit or to purchase certificates
2 of deposit or other authorized investments.

3 (b) The board shall prescribe the term of service for
4 depositories.

5 (c) To the extent that money in a depository bank or a
6 trustee bank is not invested or insured by the Federal Deposit
7 Insurance Corporation, the money must be secured in the manner
8 provided by Chapter 2257, Government Code.

9 (d) Before designating a depository bank, the board shall
10 issue a notice stating the time and location the board will meet for
11 that purpose and shall invite banks in the district to submit
12 applications to be designated depositories.

13 (e) The board shall consider the management and condition of
14 each bank that applies under Subsection (d) and designate as a
15 depository the bank or banks that:

16 (1) offer the most favorable terms and conditions for
17 handling district money;

18 (2) the board finds have proper management; and

19 (3) are in a condition to warrant handling of district
20 money.

21 (f) Membership on the district's board of an officer or
22 director of a bank does not disqualify the bank from being
23 designated as a depository bank.

24 (g) If the board does not receive any applications before
25 the meeting under Subsection (d), the board shall designate as a
26 depository a bank or banks inside or outside the district under
27 terms the board finds advantageous to the district.

28 (h) District money may be invested and reinvested as
29 provided by Chapter 2256, Government Code.

30 (i) The board by resolution may provide that an authorized
31 district representative may invest and reinvest district money and
32 provide for money to be withdrawn from the appropriate district
33 accounts for investments on terms that the board considers
34 advisable. (Acts 71st Leg., R.S., Ch. 1045, Sec. 42.)

1 Source Law

2 Sec. 42. (a) The board shall designate one or
3 more banks within the district to serve as depository
4 for district money. All district money shall be
5 deposited in a depository bank. This subsection does
6 not limit the power of the board to place a portion of
7 the district's money on time deposit or to purchase
8 certificates of deposit or other authorized
9 investments.

10 (c) To the extent that money in a depository
11 bank or a trustee bank is not invested or insured by
12 the Federal Deposit Insurance Corporation, the money
13 shall be secured in the manner provided by Chapter
14 2257, Government Code.

15 (d) Before designating a depository bank, the
16 board shall issue a notice stating the time and place
17 the board will meet for that purpose and shall invite
18 banks in the district to submit applications to be
19 designated depositories. The term of service for
20 depositories shall be prescribed by the board.

21 (e) The board shall consider the management and
22 condition of the banks that apply and shall designate
23 as depositories the bank or banks that offer the most
24 favorable terms and conditions for handling of the
25 funds of the district and that the board finds have
26 proper management and are in condition to warrant
27 handling of district funds.

28 (f) Membership on the board of an officer or
29 director of a bank does not disqualify the bank from
30 being designated as depository.

31 (g) If no applications are received before the
32 meeting, the board shall designate a bank or banks
33 within or outside the district on terms and conditions
34 it finds advantageous to the district.

35 (h) District money may be invested and
36 reinvested in accordance with Chapter 2256, Government
37 Code.

38 (i) The board, by resolution, may provide that
39 an authorized representative of the district may
40 invest and reinvest district money and provide for
41 money to be withdrawn from the appropriate district
42 accounts for investments on terms that the board
43 considers advisable.

44 [Sections 8834.158-8834.200 reserved for expansion]

45 SUBCHAPTER E. REGULATORY PROVISIONS

46 Revised Law

47 Sec. 8834.201. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD
48 RULE. Groundwater withdrawals governed by this chapter, including
49 withdrawals of injected water, are subject to reasonable board
50 rules and orders. (Acts 71st Leg., R.S., Ch. 1045, Sec. 6(b).)

51 Source Law

52 (b) Withdrawals of groundwater, including
53 withdrawals of injected water, covered by this Act are
54 subject to reasonable rules, regulations, and orders
55 adopted by the board.

1 Revised Law

2 Sec. 8834.202. CERTAIN WELLS EXEMPT. This chapter does not
3 apply to:

4 (1) a well regulated under Chapter 27, Water Code;

5 (2) a well that:

6 (A) has a casing with an inside diameter of not
7 more than five inches; and

8 (B) serves only a single-family dwelling; or

9 (3) a shallow well that:

10 (A) is not used to provide water for:

11 (i) human consumption;

12 (ii) agriculture;

13 (iii) manufacturing or industry; or

14 (iv) water injection; and

15 (B) withdraws water solely:

16 (i) to prevent hazardous sand boils,
17 dewater surface construction sites, or relieve hydrostatic uplift
18 on permanent structures;

19 (ii) for groundwater quality analysis and
20 for monitoring migration of subsurface contaminants or pollution;
21 or

22 (iii) for recovery of contamination or
23 pollution. (Acts 71st Leg., R.S., Ch. 1045, Sec. 39.)

24 Source Law

25 Sec. 39. This Act does not apply to:

26 (1) wells regulated under Chapter 27,
27 Water Code;

28 (2) shallow wells producing water solely
29 to prevent hazardous sand boils, dewater surface
30 construction sites, or relieve hydrostatic uplift on
31 permanent structures and not used to provide water for
32 human consumption, agricultural use, manufacturing or
33 industrial use, or water injection;

34 (3) shallow wells producing water solely
35 for groundwater quality analysis and for monitoring
36 migration of subsurface contaminants or pollution and
37 not used to provide water for human consumption,
38 agricultural use, manufacturing or industrial uses, or
39 water injection;

40 (4) shallow wells producing water solely
41 for recovery of contamination or pollution and not
42 used to provide water for human consumption,
43 agricultural use, manufacturing or industrial use, or
44 water injection; or

1 (5) wells with a casing that has an inside
2 diameter of five inches or less that serve only a
3 single-family dwelling.

4 Revised Law

5 Sec. 8834.203. REGULATION OF SPACING AND GROUNDWATER
6 WITHDRAWAL. (a) To minimize as far as practicable the drawdown of
7 the water table and the reduction of artesian pressure and to
8 control and prevent subsidence, the board may provide for the
9 spacing of wells in the district and may regulate groundwater
10 withdrawal from wells, taking into consideration:

- 11 (1) the economic impact on well owners;
12 (2) the resulting effect on subsidence; and
13 (3) other relevant factors.

14 (b) Before adopting a rule or issuing an order under this
15 section, the board shall set a hearing on the proposed rule or
16 order.

17 (c) The district may adopt different rules for:

18 (1) each aquifer, subdivision of an aquifer, or
19 geologic stratum located wholly or partly in the district's
20 territory; or

21 (2) each geographic area overlying an aquifer or
22 subdivision of an aquifer located wholly or partly in the
23 district's territory. (Acts 71st Leg., R.S., Ch. 1045, Secs.
24 25(a), (b), (c).)

25 Source Law

26 Sec. 25. (a) In order to minimize as far as
27 practicable the drawdown of the water table and
28 reduction of artesian pressure and to control and
29 prevent subsidence, the board may provide for the
30 spacing of wells and regulate the production of
31 groundwater from wells, taking into consideration any
32 relevant factors, including the economic impact on
33 well owners and the resulting effect on subsidence.

34 (b) Before issuing any rule, regulation, or
35 order under this section, the board shall set a hearing
36 on the proposed rule, regulation, or order.

37 (c) The district may adopt different rules for:

38 (1) each aquifer, subdivision of an
39 aquifer, or geologic stratum located wholly or partly
40 within the boundaries of the district; or

41 (2) each geographic area overlying an
42 aquifer or subdivision of an aquifer located wholly or
43 partly within the boundaries of the district.

1 Revisor's Note

2 Section 25(b), Chapter 1045, Acts of the 71st
3 Legislature, Regular Session, 1989, refers to a "rule"
4 and a "regulation." Throughout this chapter, the
5 revised law omits references to a "regulation" because
6 under Section 311.005(5), Government Code (Code
7 Construction Act), a rule is defined to include a
8 regulation.

9 Revised Law

10 Sec. 8834.204. WATER-METERING DEVICES. The board may:

11 (1) require water-metering devices to be placed on
12 wells in the district; and

13 (2) adopt standards for the accuracy, testing, and
14 calibration of the devices. (Acts 71st Leg., R.S., Ch. 1045, Sec.
15 26.)

16 Source Law

17 Sec. 26. The board may require water-metering
18 devices to be placed on wells in the district and may
19 adopt standards for the accuracy, testing, and
20 calibration of the devices.

21 Revised Law

22 Sec. 8834.205. WELL REGISTRATION. The board by rule may
23 require the registration of any well in the district. (Acts 71st
24 Leg., R.S., Ch. 1045, Sec. 17.)

25 Source Law

26 Sec. 17. The board by rule may require the
27 registration of any well in the district.

28 Revised Law

29 Sec. 8834.206. PERMIT REQUIRED. (a) The owner of a well
30 located in the district must obtain a permit from the board before:

- 31 (1) drilling, equipping, or completing the well;
32 (2) substantially altering the size of the well or a
33 well pump; or
34 (3) operating the well.

35 (b) An operational well must have a permit.

36 (c) An owner or operator commits a violation if the owner or

1 operator does not obtain a permit as required by Subsection (a). A
2 violation occurs on the first day the drilling, equipping,
3 completing, altering, or operation begins. Each day that a
4 violation continues is a separate violation. (Acts 71st Leg.,
5 R.S., Ch. 1045, Secs. 2(7), 18(a), (b).)

6 Source Law

7 [Sec. 2]

8 (7) "Drill" means drilling, equipping, or
9 completing wells or substantially altering the size of
10 wells or well pumps.

11 Sec. 18. (a) The owner of a well located in the
12 district must obtain a permit from the board before:

13 (1) drilling, equipping, or completing the
14 well;

15 (2) substantially altering the size of the
16 well or a well pump; or

17 (3) operating the well.

18 (b) A well must have a valid permit if it is
19 operational. An owner or operator commits a violation
20 if the owner or operator does not obtain a permit as
21 required by Subsection (a) of this section. A
22 violation occurs on the first day the drilling,
23 alteration, or operation begins. Each day that a
24 violation continues is a separate violation.

25 Revisor's Note

26 Section 18(b), Chapter 1045, Acts of the 71st
27 Legislature, Regular Session, 1989, requires a permit
28 to be "valid." The revised law omits "valid" because
29 it does not add to the clear meaning of the law. A
30 permit is not a permit if it is not valid.

31 Revised Law

32 Sec. 8834.207. APPLICATION FOR PERMIT. (a) A person must
33 submit an application and an application fee to the board to obtain
34 a permit under this chapter.

35 (b) The application must state:

36 (1) the person's name and address;

37 (2) the location and wellhead elevation of the well or
38 proposed well;

39 (3) the amount of water being withdrawn or proposed to
40 be withdrawn; and

41 (4) any other information required by the board as
42 necessary for the board to control and prevent subsidence in the

1 district.

2 (c) The board shall use the application fee to process
3 applications. (Acts 71st Leg., R.S., Ch. 1045, Secs. 18(f), (g).)

4 Source Law

5 (f) To obtain a permit, a person must submit an
6 application and an application fee to the board. The
7 application must state:

- 8 (1) the person's name;
9 (2) the person's address;
10 (3) the location and wellhead elevation of
11 the well or proposed well;
12 (4) the amount of water being produced or
13 proposed to be produced; and
14 (5) any other information required by the
15 board as necessary for the board to control and prevent
16 subsidence in the district.

17 (g) The board shall use the application fee to
18 process applications.

19 Revised Law

20 Sec. 8834.208. NOTICE AND HEARING ON PERMIT APPLICATION.

21 (a) The board shall hold a hearing on each permit application.

22 (b) Not later than the 10th day before the date set for the
23 hearing, the board shall notify the applicant by regular mail or by
24 certified mail, return receipt requested, of the date, time, and
25 location of the hearing.

26 (c) The board may consider at a hearing as many permit
27 applications as the board considers necessary. (Acts 71st Leg.,
28 R.S., Ch. 1045, Sec. 19.)

29 Source Law

30 Sec. 19. (a) The board shall hold a hearing on
31 each application.

32 (b) Not later than the 10th day before the date
33 set for the hearing, the board shall notify the
34 applicant by regular mail or by certified mail, return
35 receipt requested, of the date, time, and location of
36 the hearing.

37 (d) The board may consider as many applications
38 for permits as it considers necessary at a hearing.

39 Revised Law

40 Sec. 8834.209. ISSUANCE OF PERMIT. (a) Not later than the
41 60th day after the date of the hearing on a permit application, the
42 board shall:

- 43 (1) decide whether to issue the permit; and
44 (2) prescribe the terms of the permit, if it decides to
45 issue the permit.

1 (b) In deciding whether to issue a permit and in prescribing
2 the terms of the permit, the board shall consider:

3 (1) the purpose of this chapter;

4 (2) the district plan;

5 (3) the quality, quantity, and availability of surface
6 water or alternative water supplies at prices that are competitive
7 with prices charged by suppliers of surface water in the district;

8 (4) the economic effect on the applicant of a decision
9 to issue or deny the permit, or of the permit terms, in relation to
10 the effect on subsidence that would result;

11 (5) the applicant's compliance with this chapter or
12 any district rule, permit, or order; and

13 (6) all other relevant factors.

14 (c) The board shall issue a permit to an applicant if the
15 board finds on sufficient evidence that:

16 (1) there is no other adequate and available
17 substitute or supplemental source of surface water at prices
18 competitive with the prices charged by suppliers of surface water
19 in the district; and

20 (2) compliance with any provision of this chapter or
21 any district rule will result in an arbitrary taking of property or
22 in the practical closing and elimination of any lawful business,
23 occupation, or activity without sufficient corresponding benefit
24 or advantage to the public.

25 (d) The permit must state the terms prescribed by the board.
26 The permit must include:

27 (1) the name and address of the permit holder;

28 (2) the location of the well;

29 (3) the date the permit begins and the date the permit
30 expires;

31 (4) conditions and restrictions placed on groundwater
32 withdrawal; and

33 (5) other terms necessary to control and prevent
34 subsidence.

1 (e) The board may condition the issuance of a permit under
2 this section on the resolution of a previous or continuing
3 violation of this chapter or of any district rule, permit, or order.
4 The board may require an applicant to pay a civil penalty or
5 settlement amount, or take other necessary action, to resolve a
6 previous or continuing violation. (Acts 71st Leg., R.S., Ch. 1045,
7 Sec. 20.)

8 Source Law

9 Sec. 20. (a) Not later than the 60th day after
10 the date of the hearing, the board shall decide whether
11 or not to issue a permit and shall formulate the terms
12 of the permit, if issued.

13 (b) In deciding whether or not to issue a permit
14 and in setting the terms of the permit, the board shall
15 consider:

- 16 (1) the purpose of this Act;
- 17 (2) the district plan;
- 18 (3) the quality, quantity, and
19 availability of surface water or alternative water
20 supplies at prices competitive with those charged by
21 suppliers of surface water within the district;
- 22 (4) the economic impact on the applicant
23 of granting or denying the permit or of the terms
24 prescribed by a permit in relation to the effect on
25 subsidence that would result;
- 26 (5) the applicant's compliance with the
27 requirements of this Act or any rule, permit, or other
28 order of the district; and
- 29 (6) any other relevant factors.

30 (c) The board shall grant a permit to an
31 applicant whenever the board finds on sufficient
32 evidence that:

- 33 (1) there is no other adequate and
34 available substitute or supplemental source of surface
35 water at prices competitive with those charged by
36 suppliers of surface water within the district; and
- 37 (2) compliance with any provision of this
38 Act, or any rule or regulation of the district, will
39 result in an arbitrary taking of property or in the
40 practical closing and elimination of any lawful
41 business, occupation, or activity, without sufficient
42 corresponding benefit or advantage to the public.

43 (d) If the board decides to issue the permit,
44 the permit must state the terms prescribed by the
45 board.

46 (e) The permit must include the following:

- 47 (1) the name and address of the permittee;
- 48 (2) the location of the well;
- 49 (3) the date the permit begins and the date
50 the permit expires;
- 51 (4) conditions and restrictions placed on
52 the withdrawal of groundwater; and
- 53 (5) any other terms and conditions
54 necessary to control and prevent subsidence.

55 (f) The board may condition issuance of a permit
56 under this section on the resolution of a prior or
57 continuing violation of this chapter or any rule,
58 permit, or order of the district. The board may
59 require an applicant to pay a civil penalty or
60 settlement amount, or take other necessary action, to

1 resolve a prior or continuing violation.

2 Revisor's Note

3 Section 20(e)(5), Chapter 1045, Acts of the 71st
4 Legislature, Regular Session, 1989, refers to certain
5 "terms and conditions." The revised law omits the
6 reference to "conditions" because, in context, the
7 meaning of "conditions" is included in the meaning of
8 "terms."

9 Revised Law

10 Sec. 8834.210. TERM OF PERMIT. (a) A permit issued under
11 this chapter expires on the first anniversary of the date of
12 issuance, unless the board specifies a different period.

13 (b) To aid the district in the effective and expeditious
14 performance of its duties, the board may issue a permit for a term
15 not to exceed five years if the issuance does not impair the
16 district's ability to control and prevent subsidence in the
17 district.

18 (c) A permit is not a vested right of the permit holder. The
19 board may revoke, suspend, or amend a permit after notice and
20 hearing when reasonably necessary to accomplish the purpose of this
21 chapter. (Acts 71st Leg., R.S., Ch. 1045, Secs. 18(c), (d).)

22 Source Law

23 (c) A permit issued under this Act is valid for a
24 term of one year from the date it is issued unless a
25 longer or shorter term is specified by the board. The
26 board may issue a permit for a term not to exceed five
27 years in order to aid the district in the effective and
28 expeditious performance of its duties if issuance of
29 the permit does not impair the ability of the district
30 to control and prevent subsidence within the district.

31 (d) A permit is not a vested right of the permit
32 holder. A permit may be revoked, suspended, modified,
33 or amended after notice and a hearing whenever
34 reasonably necessary to accomplish the purposes of
35 this Act.

36 Revisor's Note

37 Section 18(d), Chapter 1045, Acts of the 71st
38 Legislature, Regular Session, 1989, provides that the
39 terms of a permit may be "modified, or amended." The
40 revised law omits the reference to "modified" because,
41 in context, the meaning of that term is included in the

1 meaning of "amended."

2 Revised Law

3 Sec. 8834.211. RENEWAL OF PERMIT. The board may renew a
4 permit in the manner provided for issuing an original permit. (Acts
5 71st Leg., R.S., Ch. 1045, Sec. 18(e).)

6 Source Law

7 (e) Permits may be renewed in the same manner as
8 permits are issued.

9 Revised Law

10 Sec. 8834.212. PERMIT FEES. (a) When the board issues or
11 renews a permit, the board shall collect a permit fee from the
12 applicant. The fee shall be determined by a schedule based on:

13 (1) the term of the permit; and

14 (2) the maximum annual amount of groundwater the board
15 authorizes to be withdrawn from the well.

16 (b) The board may establish a disincentive permit fee to
17 serve as a regulatory tool by creating a disincentive to continued
18 overreliance on groundwater.

19 (c) The board shall determine the fee schedule after a
20 hearing.

21 (d) The board shall use permit fees collected under this
22 section to pay the cost of issuing permits and performing other
23 regulatory functions under this chapter, including making grants,
24 loans, or contractual payments to achieve, facilitate, or expedite
25 reductions in groundwater pumping or the development or
26 distribution of alternative water supplies. (Acts 71st Leg., R.S.,
27 Ch. 1045, Sec. 34.)

28 Source Law

29 Sec. 34. (a) At the time a permit is issued or
30 renewed, the board shall collect from the permittee a
31 permit fee, established by schedule, based on the term
32 of the permit and the maximum amount of groundwater
33 authorized by the board to be withdrawn annually from
34 the well. The board may also establish a disincentive
35 permit fee to serve as a regulatory tool by creating a
36 disincentive to continued overreliance on
37 groundwater.

38 (b) The fee schedule shall be determined by the
39 board after a hearing.

40 (c) The board shall use the funds obtained from
41 permit fees to cover the costs of issuing permits and

1 performing other regulatory functions under this Act,
2 including making grants, loans, or contractual
3 payments to achieve, facilitate, or expedite
4 reductions in groundwater pumping or the development
5 or distribution of alternative water supplies.

6 Revised Law

7 Sec. 8834.213. TRANSFERRING PERMIT. (a) A permit is
8 transferable only if the permit holder and the new owner of the well
9 notify the district by certified mail, return receipt requested,
10 of:

11 (1) the transfer of ownership of the well; and

12 (2) the name and address of the new owner.

13 (b) On receipt of the information required under Subsection
14 (a), the district shall issue an amended permit with the new owner
15 of the well listed as the permit holder. The remaining terms of the
16 permit remain unchanged. (Acts 71st Leg., R.S., Ch. 1045, Sec. 21.)

17 Source Law

18 Sec. 21. A permit issued under this Act is not
19 transferable unless the permittee and new owner notify
20 the district by certified mail, return receipt
21 requested, of the transfer of ownership of the well and
22 provide the name and address of the new owner. On
23 receipt of that information, the district shall issue
24 an amended permit with the new owner of the well as
25 permittee. The remaining terms of the permit shall
26 remain unchanged.

27 Revised Law

28 Sec. 8834.214. ANNUAL REPORT. Before January 31 each year,
29 a well owner who holds a permit under this chapter shall submit to
30 the board a report stating:

31 (1) the well owner's name;

32 (2) the location of the well;

33 (3) the total amount of groundwater withdrawn from the
34 well during the preceding 12-month period;

35 (4) the total amount of groundwater withdrawn from the
36 well during each month of the preceding 12-month period;

37 (5) the purpose for which the groundwater was used;

38 and

39 (6) any other information required by the board that
40 the board considers necessary for the board to control and prevent
41 subsidence in the district. (Acts 71st Leg., R.S., Ch. 1045, Sec.

1 22.)

2 Source Law

3 Sec. 22. Before January 31 of each year, each
4 owner of a well who holds a permit under this Act shall
5 submit a report to the board stating the following:

- 6 (1) the person's name;
- 7 (2) the location of the well;
- 8 (3) the total amount of groundwater
9 produced by the well during the immediately preceding
10 12-month period;
- 11 (4) the total amount of groundwater
12 produced by the well during each separate month of the
13 immediately preceding 12-month period;
- 14 (5) the purpose for which the groundwater
15 was used; and
- 16 (6) any other information required by the
17 board as necessary for the board to control and prevent
18 subsidence within the district.

19 Revisor's Note

20 Section 22, Chapter 1045, Acts of the 71st
21 Legislature, Regular Session, 1989, refers to "the
22 immediately preceding 12-month period." The revised
23 law omits "immediately" because "the preceding" means
24 "the immediately preceding."

25 Revised Law

26 Sec. 8834.215. REDUCTION OF GROUNDWATER USE. (a) The board
27 by order may require a person to completely or partially
28 discontinue the use of groundwater by:

- 29 (1) acquiring an alternative water supply needed to
30 replace the water supply covered by the order; or
- 31 (2) participating in a groundwater reduction plan or
32 other agreement the board approves as complying with the district's
33 regulatory requirements.

34 (b) The board by order or rule may require a person to reduce
35 groundwater use by eliminating waste or implementing water
36 conservation measures. (Acts 71st Leg., R.S., Ch. 1045, Secs.
37 25(d), (e).)

38 Source Law

39 (d) The board may issue an order requiring a
40 person to completely or partially discontinue the use
41 of groundwater by:

- 42 (1) acquiring an alternative water supply
43 needed to replace the water supply covered by the
44 order; or
- 45 (2) participating in a groundwater

1 reduction plan or other agreement approved by the
2 board as achieving compliance with the district's
3 regulatory requirements.

4 (e) The board may issue an order or adopt a rule
5 requiring a person to reduce groundwater use by
6 eliminating waste or implementing water conservation
7 measures.

8 Revised Law

9 Sec. 8834.216. OPEN OR UNCOVERED WELLS. (a) The district
10 may require the owner or lessee of land on which an open or
11 uncovered well is located to keep the well closed or capped with a
12 covering capable of supporting not less than 400 pounds when the
13 well is not in actual use.

14 (b) If the owner or lessee fails or refuses to close or cap a
15 well as required, a person employed by the district may enter the
16 land and close or cap the well safely and securely. (Acts 71st
17 Leg., R.S., Ch. 1045, Sec. 37.)

18 Source Law

19 Sec. 37. (a) The district may require the owner
20 or lessee of land on which an open or uncovered well is
21 located to keep the well closed or capped with a
22 covering capable of sustaining weight of at least 400
23 pounds when the well is not in actual use.

24 (b) If the owner or lessee fails or refuses to
25 close or cap the well, any person, firm, or corporation
26 employed by the district may enter onto the land and
27 close or cap the well safely and securely.

28 Revisor's Note

29 Section 37(b), Chapter 1045, Acts of the 71st
30 Legislature, Regular Session, 1989, refers to a
31 "person, firm, or corporation." The revised law omits
32 the references to "firm" and "corporation" because
33 Section 311.005(2), Government Code (Code
34 Construction Act), defines "person" to include a
35 corporation or any other legal entity.

36 [Sections 8834.217-8834.250 reserved for expansion]

37 SUBCHAPTER F. APPEAL AND ENFORCEMENT PROVISIONS

38 Revised Law

39 Sec. 8834.251. APPEAL OF DISTRICT ACTIONS. (a) A person
40 who is adversely affected by a rule, order, or other official action
41 of the board, including a person residing in or owning real property
42 in the district whose residence or real property is subsiding, may

1 appeal the action to a district court in any county in the district
2 after any administrative appeal is finally resolved.

3 (b) An appeal under this section must be filed not later
4 than the 45th day after the date any administrative appeal is
5 finally resolved.

6 (c) On written request from a person who is adversely
7 affected, the board shall make written findings and conclusions
8 regarding a rule, order, or other official action of the district.
9 The board shall provide a certified copy of the findings and
10 conclusions to the person not later than the 35th day after the date
11 the request was made.

12 (d) An appeal under this section of the legal propriety of a
13 rule, order, or other action of the board is governed by the
14 substantial evidence rule as provided by Subchapter G, Chapter
15 2001, Government Code. The burden of proof is on the petitioner,
16 and the challenged rule, order, or other official action of the
17 district is considered prima facie valid.

18 (e) The district court shall set for trial as expeditiously
19 as possible an appeal brought under this section and may not
20 postpone or continue the suit unless the reasons for postponement
21 or continuance are imperative. (Acts 71st Leg., R.S., Ch. 1045,
22 Sec. 32.)

23 Source Law

24 Sec. 32. (a) A person who is adversely affected
25 by a rule, regulation, order, or other official action
26 of the board may appeal to a district court in any
27 county in the district. A person may file an appeal
28 only after any administrative appeal to the district
29 is finally resolved.

30 (b) For the purposes of this section, "a person
31 who is adversely affected" includes a person residing
32 in or owning real property in the district whose
33 residence or real property is subsiding. An appeal
34 under this section must be filed not later than the
35 45th day after the date any administrative appeal is
36 finally resolved.

37 (c) On written request of a person who is
38 adversely affected, the board shall make written
39 findings and conclusions with respect to a rule,
40 regulation, order, or other official action of the
41 district. Not later than the 35th day after the
42 request was made, the board shall provide a certified
43 copy of the findings and conclusions to the person who
44 made the request.

45 (d) In appeals taken under this section, the

1 substantial evidence rule, as provided by Subchapter
2 G, Chapter 2001, Government Code, shall be used to
3 determine the legal propriety of a rule, regulation,
4 order, or other action of the board. The burden of
5 proof is on the petitioner, and the challenged rule,
6 order, or other official action of the district is
7 considered prima facie valid.

8 (e) The district court shall set for trial as
9 expeditiously as possible an appeal brought under this
10 section and may not postpone or continue the suit
11 unless the reasons for postponement or continuance are
12 imperative.

13 Revised Law

14 Sec. 8834.252. INJUNCTIVE RELIEF; CIVIL PENALTY. (a) If a
15 person has violated, is violating, or is threatening to violate
16 this chapter or a district rule, permit, or order, the district may
17 institute an action in a district court in the district for:

18 (1) an injunction to restrain the person from
19 continuing the violation or the threat of violation;

20 (2) a civil penalty of not less than \$50 and not more
21 than \$5,000 for each violation and for each day of violation; or

22 (3) both injunctive relief and a civil penalty.

23 (b) The attorney general shall institute an action under
24 this section at the request of the board, or at the request of the
25 general manager if authorized by the board. The district in its
26 sole discretion may employ attorneys of its choice to institute the
27 action.

28 (c) The district is not required to post bond or other
29 security with the court.

30 (d) The district court shall grant the injunctive relief
31 requested under Subsection (a) as the facts warrant if the court
32 finds that a person is violating or threatening to violate this
33 chapter or a district rule, permit, or order.

34 (e) The district court shall assess a civil penalty
35 requested under Subsection (a) in the amount provided by that
36 subsection if the court finds that a person has violated or is
37 violating this chapter or a district rule, permit, or order. (Acts
38 71st Leg., R.S., Ch. 1045, Sec. 43.)

39 Source Law

40 Sec. 43. (a) If a person has violated, is
41 violating, or is threatening to violate a provision of

1 this Act or a rule, regulation, permit, or other order
2 of the district, the district may bring a civil action
3 in a district court within the district for an
4 injunction to restrain the person from continuing the
5 violation or the threat of violation, for a civil
6 penalty of not less than \$50 nor more than \$5,000 for
7 each violation and for each day of violation, or for
8 both injunctive relief and civil penalty.

9 (b) At the request of the board, or the general
10 manager if authorized by the board, the attorney
11 general shall institute the action. However, the
12 district in its sole discretion may employ attorneys
13 of its choice to institute the action.

14 (c) The district is not required to post bond or
15 other security with the court.

16 (d) On application for injunctive relief and a
17 finding that a person is violating or threatening to
18 violate any provision of this Act or any rule, permit,
19 or other order of the district, the district court
20 shall grant any injunctive relief the facts may
21 warrant.

22 (e) In a suit to recover a civil penalty or a
23 suit for injunctive relief and a civil penalty, if the
24 court finds that a person has violated or is violating
25 a provision of this Act or a rule, permit, or order of
26 the district, the court shall assess a civil penalty in
27 the amount provided by this section.

28 CHAPTER 8836. FAYETTE COUNTY GROUNDWATER CONSERVATION DISTRICT

29 SUBCHAPTER A. GENERAL PROVISIONS

30 Sec. 8836.001. DEFINITIONS 2207
31 Sec. 8836.002. NATURE OF DISTRICT 2207
32 Sec. 8836.003. FINDINGS OF PUBLIC USE AND BENEFIT 2208
33 Sec. 8836.004. DISTRICT TERRITORY 2208
34 Sec. 8836.005. DISTRICT NAME CHANGE 2209

35 [Sections 8836.006-8836.050 reserved for expansion]

36 SUBCHAPTER B. BOARD OF DIRECTORS

37 Sec. 8836.051. COMPOSITION OF BOARD; TERMS 2211
38 Sec. 8836.052. ELECTION OF DIRECTORS 2213
39 Sec. 8836.053. ELECTION DATE 2214
40 Sec. 8836.054. QUALIFICATIONS FOR OFFICE 2215

41 [Sections 8836.055-8836.100 reserved for expansion]

42 SUBCHAPTER C. POWERS AND DUTIES

43 Sec. 8836.101. GROUNDWATER CONSERVATION DISTRICT
44 POWERS AND DUTIES 2216
45 Sec. 8836.102. REGIONAL COOPERATION 2217

46 [Sections 8836.103-8836.150 reserved for expansion]

47 SUBCHAPTER D. FINANCIAL PROVISIONS

48 Sec. 8836.151. DISTRICT REVENUE 2218

1 Sec. 8836.152. ELECTION TO APPROVE BONDS OR NOTES 2219

2 CHAPTER 8836. FAYETTE COUNTY GROUNDWATER CONSERVATION DISTRICT

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Revised Law

5 Sec. 8836.001. DEFINITIONS. In this chapter:

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

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

8 (3) "District" means the Fayette County Groundwater
9 Conservation District. (Acts 77th Leg., R.S., Ch. 302, Sec. 2;
10 New.)

11 Source Law

12 Sec. 2. In this Act, "district" means the
13 Fayette County Groundwater Conservation District.

14 Revisor's Note

15 The definitions of "board" and "director" are
16 added to the revised law for drafting convenience and
17 to eliminate frequent, unnecessary repetition of the
18 substance of the definitions.

19 Revised Law

20 Sec. 8836.002. NATURE OF DISTRICT. The district is a
21 groundwater conservation district in Fayette County created under
22 and essential to accomplish the purposes of Section 59, Article
23 XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 302, Secs. 1(a)
24 (part), (b).)

25 Source Law

26 Sec. 1. (a) A groundwater conservation
27 district, to be known as the Fayette County
28 Groundwater Conservation District, is created in
29 Fayette County,

30 (b) The district is created under and is
31 essential to accomplish the purposes of Section 59,
32 Article XVI, Texas Constitution.

33 Revisor's Note

34 (1) Section 1(a), Chapter 302, Acts of the 77th
35 Legislature, Regular Session, 2001, refers to a
36 confirmation and initial directors' election. Because
37 the confirmation election has already been held, the
38 revised law omits the provision as executed. The

1 omitted law reads:

2 (a) . . . subject to approval at a
3 confirmation and initial directors'
4 election under Section 10 of this Act.
5 . . .

6 (2) Section 1(a), Chapter 302, Acts of the 77th
7 Legislature, Regular Session, 2001, provides that the
8 district is "a governmental agency and a body politic
9 and corporate." The revised law omits the quoted
10 language because it duplicates a portion of Section
11 59(b), Article XVI, Texas Constitution, which provides
12 that a conservation and reclamation district is a
13 governmental agency and a body politic and corporate.

14 The omitted law reads:

15 (a) . . . The district is a
16 governmental agency and a body politic and
17 corporate.

18 Revised Law

19 Sec. 8836.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
20 district is created to serve a public use and benefit.

21 (b) All land and other property included in the district
22 will benefit from the works and projects accomplished by the
23 district under the powers conferred by Section 59, Article XVI,
24 Texas Constitution. (Acts 77th Leg., R.S., Ch. 302, Sec. 4.)

25 Source Law

26 Sec. 4. All of the land and other property
27 included within the boundaries of the district will be
28 benefited by the works and projects that are to be
29 accomplished by the district under powers conferred by
30 Section 59, Article XVI, Texas Constitution. The
31 district is created to serve a public use and benefit.

32 Revised Law

33 Sec. 8836.004. DISTRICT TERRITORY. The district's
34 boundaries are coextensive with the boundaries of Fayette County,
35 Texas, unless the district's territory has been modified under:

- 36 (1) Subchapter J, Chapter 36, Water Code; or
37 (2) other law. (Acts 77th Leg., R.S., Ch. 302, Sec. 3;

38 New.)

1 Legislature, Regular Session, 2001, provides that
2 certain provisions of the Water Code prevail over a
3 conflicting or inconsistent provision of the act.
4 Chapter 36, Water Code, applies to the district under
5 Section 8836.101 of this chapter and Section
6 36.001(1), Water Code. The revised law omits Section
7 5(b) because it substantially duplicates, in
8 substance, Section 36.052, Water Code, which provides
9 that the same provisions of the Water Code provided for
10 under Section 5(b), in addition to Section 36.107,
11 Water Code, prevail over a conflicting or inconsistent
12 provision of a special law that governs a specific
13 district. Although Section 5(b) does not reference
14 Section 36.107, Water Code, that section of Chapter 36
15 is not in conflict, or inconsistent, with any
16 provision of this chapter. The omitted law reads:

17 (b) Notwithstanding Subsection (a),
18 the following provisions prevail over a
19 conflicting or inconsistent provision of
20 this Act:

21 (1) Sections 36.1071-36.108,
22 Water Code;

23 (2) Sections 36.159-36.161,
24 Water Code; and

25 (3) Subchapter I, Chapter 36,
26 Water Code.

27 (3) Section 10, Chapter 302, Acts of the 77th
28 Legislature, Regular Session, 2001, provides
29 procedures for holding an election to confirm the
30 district's creation and to elect the district's initial
31 board. Because the district has been confirmed and its
32 initial directors have been elected, the revised law
33 omits those provisions as executed. The omitted law
34 reads:

35 Sec. 10. (a) The temporary board of
36 directors shall call and hold an election to
37 confirm establishment of the district and
38 to elect initial directors. The election
39 must be held concurrently with another
40 election held by a political subdivision.

41 (b) A person, including a temporary
42 director, who desires to be a candidate for
43 the office of initial director may file an

1 application with the temporary board of
2 directors to have the candidate's name
3 printed on the ballot as provided by Chapter
4 144, Election Code.

5 (c) At the confirmation and initial
6 directors' election, the temporary board of
7 directors shall have placed on the ballot
8 the names of the persons serving as
9 temporary directors who intend to run for an
10 initial director's position together with
11 the name of any candidate filing for an
12 initial director's position and blank
13 spaces to write in the names of other
14 persons.

15 (d) If the district is created at the
16 election, the temporary board of directors,
17 at the time the vote is canvassed, shall:

18 (1) declare the qualified
19 person who receives the most votes for each
20 position to be elected as the initial
21 director for that position; and

22 (2) include the results of the
23 initial directors' election in the
24 district's election report to the Texas
25 Natural Resource Conservation Commission.

26 (e) Section 41.001(a), Election
27 Code, does not apply to a confirmation and
28 initial directors' election held as
29 provided by this section.

30 (f) Except as provided by this
31 section, a confirmation and initial
32 directors' election must be conducted as
33 provided by Sections 36.017(b)-(h), Water
34 Code, and the Election Code.

35 (g) If a majority of the votes cast at
36 the election are against the creation of the
37 district, the temporary directors may call
38 and hold a subsequent election to confirm
39 the establishment of the district. A
40 subsequent election may not be held earlier
41 than the first anniversary of the date on
42 which the previous election was held.

43 [Sections 8836.006-8836.050 reserved for expansion]

44 SUBCHAPTER B. BOARD OF DIRECTORS

45 Revised Law

46 Sec. 8836.051. COMPOSITION OF BOARD; TERMS. (a) The
47 district is governed by a board of five directors.

48 (b) Directors serve staggered four-year terms. (Acts 77th
49 Leg., R.S., Ch. 302, Secs. 7(a), (d).)

50 Source Law

51 Sec. 7. (a) The district is governed by a board
52 of five directors.

53 (d) Permanent directors serve staggered
54 four-year terms.

55 Revisor's Note

56 (1) Section 7(d), Chapter 302, Acts of the 77th

1 Legislature, Regular Session, 2001, refers to
2 "[p]ermanent" directors. Sections 7, 8, and 10 of
3 Chapter 302 refer to "temporary," "initial," and
4 "permanent" directors to distinguish between the
5 "temporary" directors, the directors who immediately
6 succeeded the "temporary" directors after the first
7 election of directors, and subsequently serving
8 directors. Because the revised law omits provisions
9 regarding "temporary" and "initial" directors as
10 executed (see the revisor's notes at the end of this
11 subchapter), the revised law also omits "permanent"
12 because it does not contribute to the clear meaning of
13 the law.

14 (2) Section 7(e), Chapter 302, Acts of the 77th
15 Legislature, Regular Session, 2001, provides that a
16 director must qualify to serve in the manner provided
17 by Section 36.055, Water Code. The revised law omits
18 the provision because Section 36.055, Water Code,
19 applies to the district under Section 8836.101 of this
20 chapter and Section 36.001(1), Water Code. The
21 omitted law reads:

22 (e) Each director must qualify to
23 serve as director in the manner provided by
24 Section 36.055, Water Code.

25 (3) Section 7(f), Chapter 302, Acts of the 77th
26 Legislature, Regular Session, 2001, provides that a
27 director serves until the successor has qualified.
28 The revised law omits the provision because it
29 duplicates Section 17, Article XVI, Texas
30 Constitution, which provides that an officer in this
31 state continues to perform the officer's official
32 duties until the successor has qualified. The omitted
33 law reads:

34 (f) A director serves until the
35 director's successor has qualified.

1 Revised Law

2 Sec. 8836.052. ELECTION OF DIRECTORS. (a) Directors are
3 elected according to the commissioners precinct method as provided
4 by this section.

5 (b) One director is elected by the voters of the entire
6 district. One director is elected from each county commissioners
7 precinct by the voters of that precinct.

8 (c) A person shall indicate on the application for a place
9 on the ballot:

10 (1) the precinct that the person seeks to represent;

11 or

12 (2) that the person seeks to represent the district at
13 large.

14 (d) At the first election after the county commissioners
15 precincts are redrawn under Section 18, Article V, Texas
16 Constitution, four new directors shall be elected to represent the
17 precincts. The directors from Precincts 1 and 3 are elected for
18 two-year terms. The directors from Precincts 2 and 4 are elected for
19 four-year terms. (Acts 77th Leg., R.S., Ch. 302, Secs. 9(a), (b),
20 (d), (e).)

21 Source Law

22 Sec. 9. (a) The directors of the district shall
23 be elected according to the commissioners precinct
24 method as provided by this section.

25 (b) One director shall be elected by the
26 qualified voters of the entire district, and one
27 director shall be elected from each county
28 commissioners precinct by the qualified voters of that
29 precinct.

30 (d) A person shall indicate on the application
31 for a place on the ballot:

32 (1) the precinct that the person seeks to
33 represent; or

34 (2) that the person seeks to represent the
35 district at large.

36 (e) At the first election after the county
37 commissioners precincts are redrawn under Section 18,
38 Article V, Texas Constitution, four new directors
39 shall be elected to represent the precincts. The
40 directors from Precincts 1 and 3 shall be elected for
41 two-year terms. The directors from Precincts 2 and 4
42 shall be elected for four-year terms.

43 Revisor's Note

44 Section 9(b), Chapter 302, Acts of the 77th

1 Legislature, Regular Session, 2001, refers to an
2 election by the "qualified" voters of the district and
3 of each precinct. The revised law omits "qualified" as
4 unnecessary in this context because Chapter 11,
5 Election Code, governs eligibility to vote in an
6 election in this state and allows only "qualified"
7 voters who are residents of the territory covered by
8 the election to vote in an election.

9 Revised Law

10 Sec. 8836.053. ELECTION DATE. On the first Tuesday after
11 the first Monday in November of each even-numbered year, the
12 appropriate number of directors shall be elected for terms
13 beginning January 1 of the following year. (Acts 77th Leg., R.S.,
14 Ch. 302, Sec. 11(b).)

15 Source Law

16 (b) On the first Tuesday after the first Monday
17 in November of each subsequent second year following
18 the election held in 2006, the appropriate number of
19 directors shall be elected for terms beginning January
20 1 of the following year.

21 Revisor's Note

22 (1) Sections 11(a) and (a-1), Chapter 302, Acts
23 of the 77th Legislature, Regular Session, 2001,
24 prescribe the election date for the first directors'
25 election following the confirmation election. Because
26 the district has been confirmed and its first
27 permanent directors elected, the revised law omits
28 those provisions as executed. The omitted law reads:

29 Sec. 11. (a) On the first Tuesday
30 after the first Monday in November 2004, an
31 election shall be held in the district for
32 the election of directors from Precincts 1
33 and 3, to serve four-year terms beginning
34 January 1, 2005.

35 (a-1) On the first Tuesday after the
36 first Monday in November 2006, an election
37 shall be held in the district for the
38 election of directors from Precincts 2 and 4
39 and from the district at large to serve
40 four-year terms beginning January 1, 2007.

41 (2) Section 11(b), Chapter 302, Acts of the 77th
42 Legislature, Regular Session, 2001, requires

1 directors' elections to be held on the first Tuesday
2 after the first Monday in November "of each subsequent
3 second year following the election held in 2006." (See
4 Revisor's Note (1) to this section.) The revised law
5 substitutes "of each even-numbered year" for "of each
6 subsequent second year following the election held in
7 2006" because the election was held in November 2006,
8 an even-numbered year. As a result, subsequent
9 directors' elections will be held in even-numbered
10 years.

11 Revised Law

12 Sec. 8836.054. QUALIFICATIONS FOR OFFICE. (a) To be
13 qualified to be a candidate for or to serve as director at large, a
14 person must be a registered voter in the district.

15 (b) To be qualified to be a candidate for or to serve as
16 director from a county commissioners precinct, a person must be a
17 registered voter of that precinct. (Acts 77th Leg., R.S., Ch. 302,
18 Sec. 9(c).)

19 Source Law

20 (c) To be qualified to be a candidate for or to
21 serve as director at large, a person must be a
22 registered voter in the district. To be qualified to
23 be a candidate for or to serve as director from a
24 county commissioners precinct, a person must be a
25 registered voter of that precinct.

26 Revisor's Note
27 (End of Subchapter)

28 (1) Sections 7(b) and (c), Chapter 302, Acts of
29 the 77th Legislature, Regular Session, 2001, refer to
30 "temporary" and "initial" directors of the district
31 and to elections under Sections 10 and 11 of that
32 chapter. The revised law omits Sections 7(b) and (c)
33 as executed because the terms of the temporary and
34 initial directors have expired and the initial
35 election for permanent directors has been held. The
36 omitted law reads:

37 (b) Temporary directors serve until
38 initial directors are elected under Section

1 10 of this Act.

2 (c) Initial directors serve until
3 permanent directors are elected under
4 Section 11 of this Act.

5 (2) Section 8, Chapter 302, Acts of the 77th
6 Legislature, Regular Session, 2001, names the
7 "temporary" directors and provides for filling
8 vacancies on the temporary board. Because the terms of
9 the temporary directors have expired, the revised law
10 omits those provisions as executed. The omitted law
11 reads:

12 Sec. 8. (a) The temporary board of
13 directors is composed of:

14 Precinct 1: Mr. Clinton Buschacker
15 1024 South Raymond
16 La Grange, Texas 78945;

17 Precinct 2: Mr. Rodney H. Willis
18 3647 Schulle Road
19 Round Top, Texas 78954;

20 Precinct 3: Mr. Ernest Bartek
21 937 West Parker
22 Flatonia, Texas 78941;

23 Precinct 4: Mr. William P. Kohlleppe
24 3340 North U.S. Highway 77
25 Schulenburg, Texas 78956; and

26 At Large: Mr. Shawn Raborn
27 155 East Colorado Street
28 La Grange, Texas 78945.

29 (b) If a temporary director fails to
30 qualify for office, the temporary directors
31 who have qualified shall appoint a person to
32 fill the vacancy. If at any time there are
33 fewer than three qualified temporary
34 directors, the Texas Natural Resource
35 Conservation Commission shall appoint the
36 necessary number of persons to fill all
37 vacancies on the board.

38 [Sections 8836.055-8836.100 reserved for expansion]

39 SUBCHAPTER C. POWERS AND DUTIES

40 Revised Law

41 Sec. 8836.101. GROUNDWATER CONSERVATION DISTRICT POWERS
42 AND DUTIES. Except as provided by this chapter, the district has
43 the rights, powers, privileges, functions, and duties provided by
44 the general law of this state, including Chapter 36, Water Code,
45 applicable to groundwater conservation districts created under
46 Section 59, Article XVI, Texas Constitution. (Acts 77th Leg.,
47 R.S., Ch. 302, Sec. 5(a) (part).)

48 Source Law

49 Sec. 5. (a) Except as otherwise provided by

1 this Act, the district has all of the rights, powers,
2 privileges, authority, functions, and duties provided
3 by the general law of this state, including Chapter 36,
4 Water Code, applicable to groundwater conservation
5 districts created under Section 59, Article XVI, Texas
6 Constitution. . . .

7 Revisor's Note

8 Section 5, Chapter 302, Acts of the 77th
9 Legislature, Regular Session, 2001, refers to the
10 "rights, powers, privileges, [and] authority" of the
11 district. The revised law omits the reference to
12 "authority" because, in context, "authority" is
13 included in the meaning of "rights, powers, [and]
14 privileges."

15 Revised Law

16 Sec. 8836.102. REGIONAL COOPERATION. To provide for
17 regional continuity, the district shall:

18 (1) participate in coordination meetings with
19 adjacent districts on an as-needed basis;

20 (2) coordinate the collection of data with adjacent
21 districts in such a way as to achieve relative uniformity of data
22 type and quality;

23 (3) coordinate efforts to monitor water quality with
24 adjacent districts, local governments, and state agencies;

25 (4) provide groundwater level data to adjacent
26 districts;

27 (5) investigate any groundwater and aquifer pollution
28 with the intention of locating its source;

29 (6) notify adjacent districts and all appropriate
30 agencies of any detected groundwater pollution;

31 (7) annually provide to adjacent districts an
32 inventory of water wells and an estimate of groundwater production
33 within the district; and

34 (8) include adjacent districts on the mailing lists
35 for district newsletters, seminars, public education events, news
36 articles, and field days. (Acts 77th Leg., R.S., Ch. 302, Sec. 6.)

1 Revised Law

2 Sec. 8836.152. ELECTION TO APPROVE BONDS OR NOTES. The
3 district may not issue or sell bonds or notes payable from any
4 source unless the action is approved by a majority of the voters of
5 the district voting at an election held for that purpose. (Acts 77th
6 Leg., R.S., Ch. 302, Sec. 13.)

7 Source Law

8 Sec. 13. The district may not issue or sell
9 bonds or notes payable from any source unless the
10 action is approved by a majority of the voters of the
11 district voting at an election called and held for that
12 purpose.

13 Revisor's Note

14 Section 13, Chapter 302, Acts of the 77th
15 Legislature, Regular Session, 2001, refers to an
16 election "called and held." The revised law omits
17 references to "calling" an election because, in this
18 context, "calling" an election is included in the
19 meaning of "holding" an election. Under Chapter 3,
20 Election Code, all elections must be ordered (called)
21 before they may be held.

22 Revisor's Note
23 (End of Chapter)

24 (1) Section 15, Chapter 302, Acts of the 77th
25 Legislature, Regular Session, 2001, recites
26 legislative findings regarding procedural
27 requirements for legislation affecting the district
28 under the constitution and other laws and rules,
29 including proper legal notice and the filing of
30 recommendations. The revised law omits those
31 provisions as executed. The omitted law reads:

32 Sec. 15. (a) The proper and legal
33 notice of the intention to introduce this
34 Act, setting forth the general substance of
35 this Act, has been published as provided by
36 law, and the notice and a copy of this Act
37 have been furnished to all persons,
38 agencies, officials, or entities to which
39 they are required to be furnished by the
40 constitution and other laws of this state,
41 including the governor, who has submitted
42 the notice and Act to the Texas Natural

1 Resource Conservation Commission.

2 (b) The Texas Natural Resource
3 Conservation Commission has filed its
4 recommendations relating to this Act with
5 the governor, lieutenant governor, and
6 speaker of the house of representatives
7 within the required time.

8 (c) All requirements of the
9 constitution and laws of this state and the
10 rules and procedures of the legislature
11 with respect to notice, introduction, and
12 passage of this Act are fulfilled and
13 accomplished.

14 (2) Section 16(b), Chapter 302, Acts of the 77th
15 Legislature, Regular Session, 2001, contains
16 transition language regarding the expiration of the
17 act if the district is not confirmed at a confirmation
18 election before a certain date. The revised law omits
19 the provision as executed because the district was
20 confirmed within the required period. The omitted law
21 reads:

22 (b) If the creation of the district
23 is not confirmed at a confirmation election
24 held under Section 10 of this Act before
25 September 1, 2003, this Act expires on that
26 date.

27 (3) Sections 4(b) and (c), Chapter 12, Acts of
28 the 78th Legislature, Regular Session, 2003, provides
29 transition language related to the terms of office for
30 members of the district's board of directors and to
31 board elections. The revised law omits that language
32 as executed. The omitted law reads:

33 (b) The directors from Precincts 1
34 and 3 elected in May 2002 shall continue in
35 office until successor directors elected in
36 November 2004, as provided by the change in
37 law made by this Act to Section 11, Chapter
38 302, Acts of the 77th Legislature, Regular
39 Session, 2001, qualify for office.

40 (c) The directors from Precincts 2
41 and 4 and from the district at large elected
42 in May 2002 shall continue in office until
43 successor directors elected in November
44 2006, as provided by the change in law made
45 by this Act to Section 11, Chapter 302, Acts
46 of the 77th Legislature, Regular Session,
47 2001, qualify for office.

48 CHAPTER 8840. GLASSCOCK GROUNDWATER CONSERVATION DISTRICT

49 SUBCHAPTER A. GENERAL PROVISIONS

50 Sec. 8840.001. DEFINITIONS 2221

1	Sec. 8840.002.	NATURE OF DISTRICT	2222
2	Sec. 8840.003.	FINDINGS OF PUBLIC USE AND BENEFIT	2223
3	Sec. 8840.004.	DISTRICT TERRITORY	2223
4		[Sections 8840.005-8840.050 reserved for expansion]	
5		SUBCHAPTER B. BOARD OF DIRECTORS	
6	Sec. 8840.051.	COMPOSITION OF BOARD; TERMS	2226
7	Sec. 8840.052.	ELECTION OF DIRECTORS	2226
8	Sec. 8840.053.	ELECTION DATE	2227
9	Sec. 8840.054.	QUALIFICATIONS FOR ELECTION	2228
10	Sec. 8840.055.	ELECTION OF DIRECTORS FOLLOWING	
11		ANNEXATION	2228
12		[Sections 8840.056-8840.100 reserved for expansion]	
13		SUBCHAPTER C. POWERS AND DUTIES	
14	Sec. 8840.101.	GENERAL POWERS AND DUTIES	2230
15	Sec. 8840.102.	ADMINISTRATIVE PROCEDURES	2230
16	Sec. 8840.103.	WELL PERMITS	2231
17	Sec. 8840.104.	WELL SPACING AND PRODUCTION	2231
18	Sec. 8840.105.	LOGS	2232
19	Sec. 8840.106.	SURVEYS	2233
20	Sec. 8840.107.	RESEARCH AND DETERMINATIONS REGARDING	
21		GROUNDWATER WITHDRAWAL	2233
22	Sec. 8840.108.	COLLECTION AND PRESERVATION OF	
23		INFORMATION	2234
24	Sec. 8840.109.	CONTRACT FOR SALE AND DISTRIBUTION OF	
25		WATER	2234
26		CHAPTER 8840. GLASSCOCK GROUNDWATER CONSERVATION DISTRICT	
27		SUBCHAPTER A. GENERAL PROVISIONS	
28		<u>Revised Law</u>	
29	Sec. 8840.001.	DEFINITIONS. In this chapter:	
30		(1) "Board" means the district's board of directors.	
31		(2) "Director" means a board member.	
32		(3) "District" means the Glasscock Groundwater	
33		Conservation District. (Acts 67th Leg., R.S., Ch. 489, Sec. 1	
34		(part); New.)	

1 Source Law

2 Sec. 1. . . . In this Act, "district" means the
3 Glasscock Groundwater Conservation District.

4 Revisor's Note

5 The definitions of "board" and "director" are
6 added to the revised law for drafting convenience and
7 to eliminate frequent, unnecessary repetition of the
8 substance of the definitions.

9 Revised Law

10 Sec. 8840.002. NATURE OF DISTRICT. The district is created
11 under Section 59, Article XVI, Texas Constitution, to provide for
12 the conservation, preservation, protection, recharge, and
13 prevention of waste of the groundwater reservoirs located under
14 district land, consistent with the objectives of Section 59,
15 Article XVI, Texas Constitution, and Chapter 36, Water Code. (Acts
16 67th Leg., R.S., Ch. 489, Secs. 1 (part), 3.)

17 Source Law

18 Sec. 1. Under Section 59, Article XVI, Texas
19 Constitution, the Glasscock Groundwater Conservation
20 District is created,

21 Sec. 3. The district is created to provide for
22 the conservation, preservation, protection, recharge,
23 and prevention of waste of the groundwater reservoirs
24 located under district land consistent with the
25 objectives of Section 59, Article XVI, Texas
26 Constitution, and Chapter 36, Water Code.

27 Revisor's Note

28 Section 1, Chapter 489, Acts of the 67th
29 Legislature, Regular Session, 1981, provides that the
30 district is "a governmental agency and body politic
31 and corporate." The revised law omits the quoted
32 language because it duplicates a portion of Section
33 59(b), Article XVI, Texas Constitution, which provides
34 that a conservation and reclamation district is a
35 governmental agency and a body politic and corporate.
36 The omitted law reads:

37 Sec. 1. . . . [the Glasscock
38 Groundwater Conservation District is
39 created,] as a governmental agency and body
40 politic and corporate,

1 Revised Law

2 Sec. 8840.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
3 district is created to serve a public use and benefit.

4 (b) All land included in the district will benefit from the
5 district. (Acts 67th Leg., R.S., Ch. 489, Sec. 7(a).)

6 Source Law

7 Sec. 7. (a) It is found that all of the land
8 included within the boundaries of the district will be
9 benefited and that the district is created to serve a
10 public use and benefit.

11 Revised Law

12 Sec. 8840.004. DISTRICT TERRITORY. The district's
13 boundaries are coextensive with the boundaries of Glasscock County,
14 Texas, unless the district's territory has been modified under:

15 (1) Subchapter J, Chapter 36, Water Code; or

16 (2) other law. (Acts 67th Leg., R.S., Ch. 489, Sec. 2;
17 New.)

18 Source Law

19 Sec. 2. The boundaries of the district include
20 all of the area in Glasscock County, Texas, and the
21 boundaries of the district are identical to the
22 boundaries of that county.

23 Revisor's Note

24 (1) The revision of the law governing the
25 district revises the statutory language describing the
26 territory of the district. Because the district's
27 boundaries are subject to change, that description may
28 not be accurate on the effective date of the revision
29 or at the time of a later reading. For the reader's
30 convenience, the revised law includes a reference to
31 the authority to change the district's territory under
32 Subchapter J, Chapter 36, Water Code, applicable to
33 groundwater conservation districts, and to the general
34 authority of the legislature to enact other laws to
35 change the district's territory.

36 (2) Section 2, Chapter 489, Acts of the 67th
37 Legislature, Regular Session, 1981, provides that the

1 boundaries of the district are "identical to" the
2 boundaries of Glasscock County. The revised law
3 substitutes "coextensive with" for the quoted language
4 because, in this context, the phrases have the same
5 meaning and "coextensive with" is the more commonly
6 used phrase.

7 Revisor's Note
8 (End of Subchapter)

9 (1) Sections 7(b)-(g), Chapter 489, Acts of the
10 67th Legislature, Regular Session, 1981, provide
11 procedures for holding an election to confirm the
12 district's creation. Because the district has been
13 confirmed, the revised law omits those provisions as
14 executed. The omitted law reads:

15 (b) Within 30 days after the
16 effective date of this Act and without the
17 necessity of having a petition presented,
18 the initial board of directors shall call an
19 election to be held in the district for the
20 purpose of confirming the organization of
21 the district, provided the election is not
22 held sooner than 60 days nor later than 90
23 days after the election is ordered.

24 (c) The propositions to be voted on
25 shall include the question of whether or not
26 the establishment of the district is
27 confirmed, the question of election of
28 directors, the question of levying,
29 assessing, and collecting an ad valorem tax
30 throughout the district, and any other
31 propositions required by this Act or by the
32 initial board of directors.

33 (d) Only qualified electors who
34 reside in the district are qualified to vote
35 in the election.

36 (e) Notice of the election shall be
37 published at least twice in a newspaper of
38 general circulation in the district, at
39 least 30 days and at least ten days
40 respectively, before the date of the
41 election.

42 (f) Returns of the election shall be
43 made to the initial board of directors of
44 the district and the directors shall
45 canvass those returns and declare the
46 results of the election.

47 (g) No hearings may be held to
48 determine whether any land included within
49 the boundaries of the district should be
50 excluded.

51 (2) Section 12, Chapter 489, Acts of the 67th
52 Legislature, Regular Session, 1981, provides that if

1 there is a conflict between the act and Chapter 36,
2 Water Code, the act controls. The revised law omits
3 that provision because it duplicates, in substance,
4 Section 311.026, Government Code (Code Construction
5 Act), and it duplicates part of Section 36.052(a),
6 Water Code, which provides that a "special law
7 governing a specific district" prevails over Chapter
8 36. Throughout this chapter, the revised law omits law
9 that duplicates law contained in Chapter 36, Water
10 Code, which applies to the district under Section
11 8840.101 of this chapter and Section 36.001(1), Water
12 Code. The omitted law reads:

13 Sec. 12. If there is a conflict
14 between this Act and Chapter 36, Water Code,
15 this Act controls.

16 (3) Section 5, Chapter 294, Acts of the 77th
17 Legislature, Regular Session, 2001, changed the name
18 of the district from the Glasscock County Underground
19 Water Conservation District to the Glasscock
20 Groundwater Conservation District and provides that a
21 reference in law to the Glasscock County Underground
22 Water Conservation District means the Glasscock
23 Groundwater Conservation District. The revised law
24 omits the provision changing the district's name as
25 executed. The revised law omits the provision
26 regarding references in law to the district because
27 there are no references in law outside of this chapter
28 to the former Glasscock County Underground Water
29 Conservation District. The omitted law reads:

30 Sec. 5. The name of the Glasscock
31 County Underground Water Conservation
32 District is changed to the Glasscock
33 Groundwater Conservation District. Any
34 reference in law to the Glasscock County
35 Underground Water Conservation District
36 means the Glasscock Groundwater
37 Conservation District.

38 [Sections 8840.005-8840.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Revised Law

3 Sec. 8840.051. COMPOSITION OF BOARD; TERMS. (a) The
4 district is governed by a board of directors as provided by Chapter
5 36, Water Code.

6 (b) Directors serve staggered four-year terms. (Acts 67th
7 Leg., R.S., Ch. 489, Secs. 11(a), (f) (part).)

8 Source Law

9 Sec. 11. (a) The district shall be governed by
10 a board of directors as provided by Chapter 36, Water
11 Code.

12 (f) The directors serve staggered four-year
13 terms. . . .

14 Revised Law

15 Sec. 8840.052. ELECTION OF DIRECTORS. (a) The district is
16 divided into numbered precincts for electing directors.

17 (b) The board may revise the district precincts as necessary
18 or appropriate.

19 (c) One director is elected from each district precinct and
20 one director is elected at large. (Acts 67th Leg., R.S., Ch. 489,
21 Secs. 11(c), (d).)

22 Source Law

23 (c) The board of directors shall draw numbered
24 precincts for electing directors. The board of
25 directors may revise the district precincts as
26 necessary or appropriate.

27 (d) One director shall be elected from each
28 district precinct and one director shall be elected at
29 large.

30 Revisor's Note

31 Section 11(c), Chapter 489, Acts of the 67th
32 Legislature, Regular Session, 1981, provides that the
33 board "shall draw" numbered precincts for electing
34 directors, which requires the board to divide the
35 district into numbered precincts. The revised law
36 substitutes "is divided into" for the quoted language
37 because the requirement that the board "draw," or
38 divide the district into, numbered precincts is
39 executed.

1 Revised Law

2 Sec. 8840.053. ELECTION DATE. The board shall hold an
3 election to elect the appropriate number of directors on the
4 uniform election date in May of each even-numbered year. (Acts 67th
5 Leg., R.S., Ch. 489, Sec. 11(f) (part).)

6 Source Law

7 (f) . . . The board of directors shall call and
8 hold an election of the appropriate number of
9 directors on the first Saturday in May of each
10 even-numbered year.

11 Revisor's Note

12 (1) Section 11(f), Chapter 489, Acts of the 67th
13 Legislature, Regular Session, 1981, requires the board
14 to "call and hold" an election to elect directors. The
15 revised law omits the reference to "calling" an
16 election because, in this context, "calling" an
17 election is included in the meaning of "holding" an
18 election. Under Chapter 3, Election Code, all
19 elections must be ordered (called) before they may be
20 held.

21 (2) Section 11(f), Chapter 489, Acts of the 67th
22 Legislature, Regular Session, 1981, was amended in
23 2001 to require board elections to be held on the
24 "first Saturday in May." See Section 1, Chapter 294,
25 Acts of the 77th Legislature, Regular Session, 2001.
26 From 1987 to 2003, Section 41.001, Election Code,
27 provided for a uniform election date for all political
28 subdivisions on the first Saturday in May. Chapter
29 1315, Acts of the 78th Legislature, Regular Session,
30 2003, amended Section 41.001 to change the uniform
31 election date in May to the third Saturday in May.
32 Chapter 1, Acts of the 78th Legislature, 3rd Called
33 Session, 2003, amended Section 41.001 to change the
34 uniform election date in May back to the first Saturday
35 in May. Chapter 471, Acts of the 79th Legislature,
36 Regular Session, 2005, amended Section 41.001 to

1 change the uniform election date in May to the second
2 Saturday in May. The revised law substitutes "uniform
3 election date in May" for "first Saturday in May" to
4 reflect those changes and to preserve the legislative
5 intent expressed in the 2001 amendment to Section
6 11(f) that the election be held on the first Saturday
7 in May, which was at that time the uniform election
8 date in May.

9 Revised Law

10 Sec. 8840.054. QUALIFICATIONS FOR ELECTION. (a) To be
11 qualified for election as a director, a person must:

12 (1) be a resident of the district or proposed
13 district;

14 (2) own land subject to taxation in the district or
15 proposed district; and

16 (3) be at least 21 years of age.

17 (b) To be qualified for election as a director from a
18 district precinct, a person must own land subject to taxation in the
19 district precinct from which the person is elected. (Acts 67th
20 Leg., R.S., Ch. 489, Secs. 11(b), (e).)

21 Source Law

22 (b) To be qualified for election as a director,
23 a person must be a resident of the district or proposed
24 district, own land subject to taxation in the district
25 or proposed district, and be at least 21 years of age.

26 (e) To be qualified for election as a director
27 from a district precinct, a person must own land
28 subject to taxation in the district precinct from
29 which the person is elected.

30 Revised Law

31 Sec. 8840.055. ELECTION OF DIRECTORS FOLLOWING ANNEXATION.

32 (a) Territory may be added to the district under Chapter 36, Water
33 Code.

34 (b) If the district annexes territory, the directors shall
35 determine the precincts to which annexed territory is added for the
36 purpose of electing directors. (Acts 67th Leg., R.S., Ch. 489, Sec.
37 10.)

1 Source Law

2 Sec. 10. Additional territory may be added to
3 the district under Chapter 36, Water Code. The
4 directors shall determine to which district precincts
5 the annexed land shall be added for purposes of
6 election of directors.

7 Revisor's Note
8 (End of Subchapter)

9 (1) Section 6, Chapter 489, Acts of the 67th
10 Legislature, Regular Session, 1981, names the
11 district's initial directors and describes their terms
12 of office. Because the terms of office of the initial
13 directors have expired, the revised law omits the
14 provisions as executed. The omitted law reads:

15 Sec. 6. (a) The members of the
16 initial board of directors are:

- 17 (1) Lynn Glass;
18 (2) Hubert Frerich;
19 (3) Jerry Murphy;
20 (4) Jimmy Strube; and
21 (5) Dennis Seidenberger.

22 (b) The initial members of the board
23 shall serve until their successors have
24 been elected and have qualified.

25 (2) Section 4, Chapter 294, Acts of the 77th
26 Legislature, Regular Session, 2001, contains
27 transition language regarding directors' elections for
28 the years 2001, 2002, and 2003, and the terms of office
29 of the directors elected at those elections. The
30 revised law omits the language as executed because the
31 terms of office of the directors have expired and the
32 elections have been held. The omitted law reads:

33 Sec. 4. (a) Notwithstanding Section
34 11(f), Chapter 489, Acts of the 67th
35 Legislature, Regular Session, 1981, as
36 amended by this Act, the board of directors
37 of the Glasscock Groundwater Conservation
38 District shall call and hold elections for
39 directors only as provided by this section
40 for the years 2001, 2002, and 2003, as
41 applicable.

42 (b) If this Act takes effect
43 immediately:

44 (1) on the second Saturday in
45 August 2001, the appropriate number of
46 directors shall be elected to serve until
47 their successors take office following an
48 election on the first Saturday in May 2004;
49 and

50 (2) on the second Saturday in

1 August 2002, the appropriate number of
2 directors shall be elected to serve until
3 their successors take office following an
4 election on the first Saturday in May 2006.

5 (c) If this Act takes effect
6 September 1, 2001:

7 (1) on the second Saturday in
8 August 2002, the appropriate number of
9 directors shall be elected to serve until
10 their successors take office following an
11 election on the first Saturday in May 2004;
12 and

13 (2) on the second Saturday in
14 August 2003, the appropriate number of
15 directors shall be elected to serve until
16 their successors take office following an
17 election on the first Saturday in May 2006.

18 [Sections 8840.056-8840.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Revised Law

21 Sec. 8840.101. GENERAL POWERS AND DUTIES. The district may
22 exercise:

23 (1) the powers essential to accomplish the purposes of
24 Section 59, Article XVI, Texas Constitution; and

25 (2) the rights, powers, duties, privileges, and
26 functions provided by this chapter, Chapter 36, Water Code, and
27 other laws of this state relating to groundwater conservation
28 districts. (Acts 67th Leg., R.S., Ch. 489, Secs. 1 (part), 4
29 (part).)

30 Source Law

31 Sec. 1. [Under Section 59, Article XVI, Texas
32 Constitution, the . . . District is] . . . authorized
33 to exercise the powers essential to the accomplishment
34 of the purposes of that constitutional provision and
35 to exercise the rights, powers, duties, privileges,
36 and functions provided by this Act and by Chapter 36,
37 Water Code, and by other laws of this state relating to
38 groundwater conservation districts. . . .

39 Sec. 4. The district may exercise the powers,
40 rights, privileges, and functions permitted by Chapter
41 36, Water Code,

42 Revised Law

43 Sec. 8840.102. ADMINISTRATIVE PROCEDURES. Except as
44 provided by this chapter, the administrative and procedural
45 provisions of Chapter 36, Water Code, apply to the district. (Acts
46 67th Leg., R.S., Ch. 489, Sec. 5.)

1 far as practicable the drawdown of the water table or the reduction
2 of the artesian pressure, the district, as permitted by Chapter 36,
3 Water Code, may provide for the spacing of wells producing from the
4 groundwater reservoirs and regulate the production from those
5 wells. (Acts 67th Leg., R.S., Ch. 489, Sec. 4 (part).)

6 Source Law

7 Sec. 4. [The district may exercise the powers,
8 rights, privileges, and functions permitted by Chapter
9 36, Water Code, including authority to:]

10 . . .
11 (3) provide for the spacing of wells
12 producing from the groundwater reservoirs and regulate
13 the production from those wells to minimize as far as
14 practicable the drawdown of the water table or the
15 reduction of the artesian pressure, . . . ;
16

17 Revised Law

18 Sec. 8840.105. LOGS. As permitted by Chapter 36, Water
19 Code, the district may require that:

20 (1) accurate driller's logs be kept of the drilling,
21 equipping, or completion of a well into a groundwater reservoir;
22 and

23 (2) a copy of a driller's log and of any electric log
24 that may be made of the well be filed with the district. (Acts 67th
25 Leg., R.S., Ch. 489, Sec. 4 (part).)

26 Source Law

27 Sec. 4. [The district may exercise the powers,
28 rights, privileges, and functions permitted by Chapter
29 36, Water Code, including authority to:]

30 . . .
31 (4) . . . require accurate driller's logs
32 to be kept of those wells and a copy of those logs and
33 of any electric logs that may be made of the wells to be
34 filed with the district;
35

36 Revisor's Note

37 Section 4(4), Chapter 489, Acts of the 67th
38 Legislature, Regular Session, 1981, provides that the
39 district may require that certain records be kept and
40 reports be made regarding water wells and the use of
41 groundwater. The revised law omits the provision
42 because it duplicates, in substance, Section
43 36.111(a), Water Code. The omitted law reads:

1 Sec. 4. [The district may . . . :]

2 . . .
3 (4) require records to be kept and
4 reports to be made of the drilling,
5 equipping, and completion of wells into any
6 groundwater reservoir and the taking and
7 use of groundwater from those reservoirs
8 and

9 Revised Law

10 Sec. 8840.106. SURVEYS. As permitted by Chapter 36, Water
11 Code, the district may have a licensed engineer survey the
12 groundwater of a groundwater reservoir and the facilities for the
13 development, production, and use of that groundwater and determine
14 the quantity of the groundwater available for production and use
15 and the improvements, developments, and recharges needed for the
16 groundwater reservoir. (Acts 67th Leg., R.S., Ch. 489, Sec. 4
17 (part).)

18 Source Law

19 Sec. 4. [The district may exercise the powers,
20 rights, privileges, and functions permitted by Chapter
21 36, Water Code, including authority to:]

22 . . .
23 (6) have made by registered professional
24 engineers surveys of the groundwater of any
25 groundwater reservoir and of the facilities for the
26 development, production, and use of that groundwater,
27 determine the quantity of the groundwater available
28 for production and use and the improvements,
29 developments, and recharges needed for those
30 groundwater reservoirs;
31

32 Revisor's Note

33 Section 4(6), Chapter 489, Acts of the 67th
34 Legislature, Regular Session, 1981, refers to
35 "registered professional engineers." The revised law
36 substitutes "engineer" for "professional engineer"
37 because "engineer" is the term used by Chapter 1001,
38 Occupations Code, which regulates engineers. The
39 revised law also substitutes "licensed" for
40 "registered" because Chapter 1001, Occupations Code,
41 requires that a person hold a license to engage in the
42 practice of engineering.

43 Revised Law

44 Sec. 8840.107. RESEARCH AND DETERMINATIONS REGARDING

1 GROUNDWATER WITHDRAWAL. As permitted by Chapter 36, Water Code,
2 the district may carry out research projects, develop information,
3 and determine limitations, if any, that should be made on the
4 withdrawal of groundwater from a groundwater reservoir. (Acts 67th
5 Leg., R.S., Ch. 489, Sec. 4 (part).)

6 Source Law

7 Sec. 4. [The district may exercise the powers,
8 rights, privileges, and functions permitted by Chapter
9 36, Water Code, including authority to:]

10 . . .
11 (8) carry out research projects, develop
12 information, and determine limitations, if any, that
13 should be made on the withdrawal of groundwater from
14 any groundwater reservoir;
15

16 Revised Law

17 Sec. 8840.108. COLLECTION AND PRESERVATION OF INFORMATION.

18 As permitted by Chapter 36, Water Code, the district may collect and
19 preserve information regarding the use of groundwater and the
20 practicability of recharge of a groundwater reservoir. (Acts 67th
21 Leg., R.S., Ch. 489, Sec. 4 (part).)

22 Source Law

23 Sec. 4. [The district may exercise the powers,
24 rights, privileges, and functions permitted by Chapter
25 36, Water Code, including authority to:]

26 . . .
27 (9) collect and preserve information
28 regarding the use of the groundwater and the
29 practicability of recharge of any groundwater
30 reservoir;
31

32 Revised Law

33 Sec. 8840.109. CONTRACT FOR SALE AND DISTRIBUTION OF WATER.

34 As permitted by Chapter 36, Water Code, the district may contract
35 for, sell, and distribute water from a water import authority or
36 other agency. (Acts 67th Leg., R.S., Ch. 489, Sec. 4 (part).)

37 Source Law

38 Sec. 4. [The district may exercise the powers,
39 rights, privileges, and functions permitted by Chapter
40 36, Water Code, including authority to:]

41 . . .
42 (11) contract for, sell, and distribute
43 water from a water import authority, or other agency.

Revisor's Note
(End of Subchapter)

(1) Section 4(1), Chapter 489, Acts of the 67th Legislature, Regular Session, 1981, states that the district may make and enforce rules relating to groundwater and that the district may enforce its rules in court. The revised law omits that provision because it duplicates, in substance, parts of Sections 36.101 and 36.102, Water Code, which apply to the district under Section 8840.101 of this chapter and Section 36.001(1), Water Code. The omitted law reads:

Sec. 4. [The district may . . . :]
(1) make and enforce rules to provide for conserving, preserving, protecting, recharging, and preventing waste of the water from the groundwater reservoirs that may be enforced by injunction, mandatory injunction, or other appropriate remedies in a court of competent jurisdiction;
. . . .

(2) Section 4(5), Chapter 489, Acts of the 67th Legislature, Regular Session, 1981, provides that the district may acquire land for certain purposes and perform certain actions necessary to recharge a groundwater reservoir. The revised law omits the provision because it duplicates, in substance, Section 36.103(b), Water Code. The omitted law reads:

Sec. 4. [The district may . . . :]
. . . .
(5) acquire land for the erection of dams and for the purpose of draining lakes, draws, and depressions, and construct dams, drain lakes, depressions, draws, and creeks and install pumps and other equipment necessary to recharge any groundwater reservoirs;
. . . .

(3) Section 4(7), Chapter 489, Acts of the 67th Legislature, Regular Session, 1981, authorizes the district to develop comprehensive plans for the most efficient use of groundwater and for the control and prevention of waste of that groundwater. The revised law omits the provision as superseded by Section

1 36.1071, Water Code, which requires groundwater
2 conservation districts to develop a comprehensive
3 management plan with certain mandatory components.
4 Section 36.052(b), Water Code, added by Chapter 1010,
5 Acts of the 75th Legislature, Regular Session, 1997,
6 provides that certain sections of Chapter 36,
7 including Section 36.1071, prevail over a conflicting
8 or inconsistent provision of a special law that
9 governs a specific district. The omitted law reads:

10 Sec. 4. [The district may . . . :]

11 . . .
12 (7) develop comprehensive plans
13 for the most efficient use of the
14 groundwater of any groundwater reservoir
15 and for the control and prevention of waste
16 of that groundwater, with the plans to
17 specify in the amount of detail that may be
18 practicable the acts, procedure,
19 performance, and avoidance that are or may
20 be necessary to effect those plans,
21 including specifications;
22

23 (4) Section 4(10), Chapter 489, Acts of the 67th
24 Legislature, Regular Session, 1981, provides that the
25 district may publish and disseminate to certain
26 persons plans and information and encourage the
27 adoption and execution of the plans. The revised law
28 omits the provision because it duplicates, in
29 substance, Section 36.110, Water Code. The omitted
30 law reads:

31 Sec. 4. [The district may . . . :]

32 . . .
33 (10) publish plans and
34 information, bring them to the notice and
35 attention of the users of the groundwater
36 within the district, and encourage their
37 adoption and execution; and
38

39 (5) Section 8, Chapter 489, Acts of the 67th
40 Legislature, Regular Session, 1981, provides that the
41 tax and bond provisions of Chapter 36, Water Code,
42 apply to the district. The revised law omits the
43 provision because Section 4 of the act (revised in this
44 chapter as Section 8840.101) provides that the

1 district may exercise the rights, powers, duties,
2 privileges, and functions provided by Chapter 36,
3 Water Code. The provisions applicable to the district
4 under Section 8840.101 include any tax and bond
5 provisions of Chapter 36, Water Code. The omitted law
6 reads:

7 Sec. 8. The tax and bond provisions
8 of Chapter 36, Water Code, apply to the
9 district.

10 (6) Section 9, Chapter 489, Acts of the 67th
11 Legislature, Regular Session, 1981, provides that the
12 dissolution provisions of Chapter 36, Water Code,
13 apply to the district. The revised law omits the
14 provision for the reasons stated in Revisor's Note (5)
15 to the end of this subchapter. The omitted law reads:

16 Sec. 9. Chapter 36, Water Code,
17 applies to dissolution of the district.

18 Revisor's Note
19 (End of Chapter)

20 Sections 2 and 3, Chapter 294, Acts of the 77th
21 Legislature, Regular Session, 2001, validate certain
22 actions of the district taken before May 23, 2001.
23 Those provisions are omitted from the revised law
24 because they served their purposes on the day they took
25 effect and are executed law. Section 311.031(a)(2),
26 Government Code (Code Construction Act), provides that
27 the repeal of a statute does not affect any validation
28 previously made under the statute. Therefore, the
29 omission of the executed validation provision does not
30 affect the validation. The omitted law reads:

31 Sec. 2. The following acts and
32 proceedings relating to the Glasscock
33 Groundwater Conservation District are
34 validated in all respects as if the acts and
35 proceedings had occurred as authorized by
36 law:

37 (1) all acts and proceedings of
38 the district taken before the effective
39 date of this Act, including the adoption of
40 rules, the approval or issuance of water
41 well drilling permits, and annexations of
42 land;

1 (2) all acts and proceedings of
2 the district taken before the effective
3 date of this Act regarding bonds and other
4 obligations of the district authorized or
5 issued before the effective date of this
6 Act; and

7 (3) all acts and proceedings
8 that occur before the effective date of this
9 Act regarding the selection or actions of
10 the directors of the district, whether
11 elected or appointed, who took office
12 before the effective date of this Act.

13 Sec. 3. Section 2 of this Act does
14 not apply to any matter that on the
15 effective date of this Act:

16 (1) is involved in litigation
17 if the litigation ultimately results in the
18 matter being held invalid by a final
19 judgment of a court of competent
20 jurisdiction; or

21 (2) has been held invalid by a
22 final judgment of a court of competent
23 jurisdiction.

24 CHAPTER 8842. HEADWATERS GROUNDWATER CONSERVATION DISTRICT

25 SUBCHAPTER A. GENERAL PROVISIONS

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30 [Sections 8842.005-8842.050 reserved for expansion]

31 SUBCHAPTER B. BOARD OF DIRECTORS

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37 [Sections 8842.056-8842.100 reserved for expansion]

38 SUBCHAPTER C. POWERS AND DUTIES

39 Sec. 8842.101. GROUNDWATER CONSERVATION DISTRICT
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45 CHAPTER 8842. HEADWATERS GROUNDWATER CONSERVATION DISTRICT

46 SUBCHAPTER A. GENERAL PROVISIONS

1 Revised Law

2 Sec. 8842.001. DEFINITIONS. In this chapter:

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

4 (2) "Director" means a board member.

5 (3) "District" means the Headwaters Groundwater
6 Conservation District. (Acts 72nd Leg., R.S., Ch. 693, Sec. 2;
7 New.)

8 Source Law

9 Sec. 2. In this Act, "district" means the
10 Headwaters Groundwater Conservation District.

11 Revisor's Note

12 The definitions of "board" and "director" are
13 added to the revised law for drafting convenience and
14 to eliminate frequent, unnecessary repetition of the
15 substance of the definitions.

16 Revised Law

17 Sec. 8842.002. NATURE OF DISTRICT. The district is a
18 groundwater conservation district in Kerr County created under and
19 essential to accomplish the purposes of Section 59, Article XVI,
20 Texas Constitution. (Acts 72nd Leg., R.S., Ch. 693, Secs. 1(a)
21 (part), (b).)

22 Source Law

23 Sec. 1. (a) A groundwater conservation
24 district, to be known as the Headwaters Groundwater
25 Conservation District, is created in Kerr County,
26

27 (b) The district is created under and is
28 essential to accomplish the purposes of Article XVI,
29 Section 59, of the Texas Constitution.

30 Revisor's Note

31 (1) Section 1(a), Chapter 693, Acts of the 72nd
32 Legislature, Regular Session, 1991, refers to a
33 confirmation election. Because the confirmation
34 election has already been held, the revised law omits
35 the provision as executed. The omitted law reads:

36 (a) . . . subject to approval at a
37 confirmation election under Section 8 of
38 this Act. . . .

39 (2) Section 1(a), Chapter 693, Acts of the 72nd

1 Legislature, Regular Session, 1991, provides that the
2 district is a governmental agency and a body politic
3 and corporate. The revised law omits the provision
4 because it duplicates a portion of Section 59(b),
5 Article XVI, Texas Constitution, which provides that a
6 conservation and reclamation district is a
7 governmental agency and a body politic and corporate.

8 The omitted law reads:

9 (a) . . . The district is a
10 governmental agency and a body politic and
11 corporate.

12 Revised Law

13 Sec. 8842.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
14 district is created to serve a public use and benefit.

15 (b) All land and other property included in the district
16 will benefit from the works and projects accomplished by the
17 district under the powers conferred by Section 59, Article XVI,
18 Texas Constitution. (Acts 72nd Leg., R.S., Ch. 693, Sec. 4.)

19 Source Law

20 Sec. 4. All of the land and other property
21 included within the boundaries of the district will be
22 benefited by the works and projects that are to be
23 accomplished by the district under powers conferred by
24 Article XVI, Section 59, of the Texas Constitution.
25 The district is created to serve a public use and
26 benefit.

27 Revised Law

28 Sec. 8842.004. DISTRICT TERRITORY. The district's
29 boundaries are coextensive with the boundaries of Kerr County,
30 unless the district's territory has been modified under:

- 31 (1) Subchapter J, Chapter 36, Water Code; or
32 (2) other law. (Acts 72nd Leg., R.S., Ch. 693, Sec. 3;

33 New.)

34 Source Law

35 Sec. 3. The boundaries of the district are
36 coextensive with the boundaries of Kerr County.

37 Revisor's Note

38 The revision of the law governing the district
39 revises the statutory language describing the

1 territory of the district. Because the district's
2 boundaries are subject to change, that description may
3 not be accurate on the effective date of the revision
4 or at the time of a later reading. For the reader's
5 convenience, the revised law includes a reference to
6 the authority to change the district's territory under
7 Subchapter J, Chapter 36, Water Code, applicable to
8 groundwater conservation districts, and to the general
9 authority of the legislature to enact other laws to
10 change the district's territory.

11 Revisor's Note
12 (End of Subchapter)

13 (1) Section 2A, Chapter 693, Acts of the 72nd
14 Legislature, Regular Session, 1991, provides that a
15 reference in law to the Headwaters Underground Water
16 Conservation District means the Headwaters
17 Groundwater Conservation District. The revised law
18 omits that provision because there are no references
19 in law outside of this chapter to the former Headwaters
20 Underground Water Conservation District. The omitted
21 law reads:

22 Sec. 2A. A reference in law to the
23 Headwaters Underground Water Conservation
24 District means the Headwaters Groundwater
25 Conservation District.

26 (2) Section 5(a), Chapter 693, Acts of the 72nd
27 Legislature, Regular Session, 1991, provides that the
28 act prevails over general law in case of a conflict or
29 other inconsistency. The revised law omits the
30 provision because it duplicates, in substance, Section
31 311.026, Government Code (Code Construction Act). The
32 omitted law reads:

33 (a) . . . This Act prevails over any
34 provision of general law that is in conflict
35 or inconsistent with this Act.

36 (3) Section 5(c), Chapter 693, Acts of the 72nd
37 Legislature, Regular Session, 1991, provides that

1 certain provisions of the Water Code prevail over a
2 conflicting or inconsistent provision of the act.
3 Chapter 36, Water Code, applies to the district under
4 Section 8842.101 of this chapter and Section
5 36.001(1), Water Code. The revised law omits Section
6 5(c) because it substantially duplicates Section
7 36.052, Water Code, which provides that the same
8 provisions of the Water Code provided for under
9 Section 5(c), in addition to Section 36.107, Water
10 Code, prevail over a conflicting or inconsistent
11 provision of a special law that governs a specific
12 district. Although Section 5(c) does not reference
13 Section 36.107, Water Code, that section of Chapter 36
14 is not in conflict, or inconsistent, with any
15 provision of this chapter. The omitted law reads:

16 (c) Notwithstanding Subsection (a),
17 the following provisions prevail over a
18 conflicting or inconsistent provision of
19 this Act:

- 20 (1) Sections 36.1071-36.108,
21 Water Code;
22 (2) Sections 36.159-36.161,
23 Water Code; and
24 (3) Subchapter I, Chapter 36,
25 Water Code.

26 (4) Section 8, Chapter 693, Acts of the 72nd
27 Legislature, Regular Session, 1991, provides
28 procedures for holding an election to confirm the
29 district's creation and to elect the district's initial
30 board. Because the district has been confirmed and its
31 initial directors have been elected, the revised law
32 omits those provisions as executed. The omitted law
33 reads:

34 Sec. 8. (a) The temporary board of
35 directors shall call and hold an election to
36 confirm establishment of the district and
37 to elect five initial directors.

38 (b) A person who desires to be a
39 candidate for the office of initial
40 director may file an application with the
41 temporary board to have the candidate's name
42 printed on the ballot as provided by Section
43 51.075, Water Code.

44 (c) At the confirmation and initial

1 directors' election, the temporary board of
2 directors shall have the names of the five
3 persons serving as temporary directors
4 placed on the ballot together with the name
5 of any candidate filing for the office of
6 director as provided by Subsection (b) of
7 this section and blank spaces to write in
8 the names of other persons. If the district
9 is created at the election, the temporary
10 directors, at the time the vote is
11 canvassed, shall declare the five persons
12 who receive the most votes to be elected as
13 the initial directors and shall include the
14 results of the directors' election in its
15 election report to the Texas Water
16 Commission.

17 (d) Section 41.001(a), Election
18 Code, does not apply to a confirmation and
19 initial directors' election held as
20 provided by this section.

21 (e) Except as provided by this
22 section, a confirmation and initial
23 directors' election must be conducted as
24 provided by Sections 52.059(b)-(g), Water
25 Code, and the Election Code.

26 [Sections 8842.005-8842.050 reserved for expansion]

27 SUBCHAPTER B. BOARD OF DIRECTORS

28 Revised Law

29 Sec. 8842.051. COMPOSITION OF BOARD; TERMS. (a) The
30 district is governed by a board of five directors.

31 (b) Directors serve staggered four-year terms. (Acts 72nd
32 Leg., R.S., Ch. 693, Secs. 6(a), (d).)

33 Source Law

34 Sec. 6. (a) The district is governed by a board
35 of five directors.

36 (d) Permanent directors serve staggered
37 four-year terms.

38 Revisor's Note

39 (1) Section 6(d), Chapter 693, Acts of the 72nd
40 Legislature, Regular Session, 1991, refers to
41 "[p]ermanent directors." Sections 6, 7, and 8 of
42 Chapter 693 refer to "temporary," "initial," and
43 "permanent" directors to distinguish between the
44 "temporary" directors, the directors who immediately
45 succeeded the "temporary" directors after the first
46 election of directors, and subsequently serving
47 directors. Because the revised law omits provisions
48 regarding "temporary" and "initial" directors as

1 executed (see Revisor's Notes (1) and (2) to the end of
2 this subchapter), the revised law also omits
3 "permanent" because it does not contribute to the
4 clear meaning of the law.

5 (2) Section 6(e), Chapter 693, Acts of the 72nd
6 Legislature, Regular Session, 1991, provides that a
7 director must qualify to serve in the manner provided
8 by Section 36.055, Water Code. The revised law omits
9 the provision because Section 36.055, Water Code,
10 applies to the district under Section 8842.101 of this
11 chapter and Section 36.001(1), Water Code. The
12 omitted law reads:

13 (e) Each director must qualify to
14 serve as director in the manner provided by
15 Section 36.055, Water Code.

16 (3) Section 6(f), Chapter 693, Acts of the 72nd
17 Legislature, Regular Session, 1991, provides that a
18 director serves until a successor has qualified. The
19 revised law omits the provision because it duplicates
20 Section 17, Article XVI, Texas Constitution, which
21 provides that an officer in this state continues to
22 perform the officer's official duties until a
23 successor has qualified. The omitted law reads:

24 (f) A director serves until the
25 director's successor has qualified.

26 Revised Law

27 Sec. 8842.052. ELECTION OF DIRECTORS. (a) Directors are
28 elected according to the commissioners precinct method as provided
29 by this section.

30 (b) One director is elected by the voters of the entire
31 district. One director is elected from each county commissioners
32 precinct by the voters of that precinct.

33 (c) A person shall indicate on the application for a place
34 on the ballot:

35 (1) the precinct that the person seeks to represent;
36 or

1 (2) that the person seeks to represent the district at
2 large.

3 (d) At the first election after the county commissioners
4 precincts are redrawn under Section 18, Article V, Texas
5 Constitution, a new director is elected from each precinct. The
6 directors shall draw lots to determine which two directors shall
7 serve two-year terms and which two directors shall serve four-year
8 terms. (Acts 72nd Leg., R.S., Ch. 693, Secs. 9(a), (c), (e), (f).)

9 Source Law

10 Sec. 9. (a) The directors of the district shall
11 be elected according to the commissioners precinct
12 method as provided by this section.

13 (c) One director shall be elected by the
14 electors of the entire district, and one director
15 shall be elected from each county commissioners
16 precinct by the electors of that precinct.

17 (e) A person shall indicate on the application
18 for a place on the ballot:

19 (1) the precinct that the person seeks to
20 represent; or

21 (2) that the person seeks to represent the
22 district at large.

23 (f) At the first election after the county
24 commissioners precincts are redrawn under Section 18,
25 Article V, Texas Constitution, four new directors
26 shall be elected to represent the precincts. The
27 directors elected shall draw lots to determine which
28 two directors serve two-year terms and which two
29 directors serve four-year terms.

30 Revisor's Note

31 Section 9(c), Chapter 693, Acts of the 72nd
32 Legislature, Regular Session, 1991, refers to the
33 "electors" of the entire district or of a county
34 commissioners precinct in the district. The revised
35 law substitutes "voters" for "electors" because the
36 former is the term used in the Election Code.

37 Revised Law

38 Sec. 8842.053. ELECTION DATE. (a) Except as provided by
39 Subsection (b), directors' elections shall occur on the date of the
40 general election for state and county officers.

41 (b) If directors' elections may not lawfully be held on the
42 date described by Subsection (a), directors' elections shall occur
43 on the uniform election date in May of odd-numbered years. (Acts

1 72nd Leg., R.S., Ch. 693, Sec. 9(b).)

2 Source Law

3 (b) Directors' elections shall occur on the
4 general election dates for the election of county
5 commissioners, except that if directors' elections may
6 not lawfully be held on the general election dates for
7 the election of county commissioners, directors'
8 elections shall occur on the first Saturday in May of
9 odd-numbered years.

10 Revisor's Note

11 (1) Section 9(b), Chapter 693, Acts of the 72nd
12 Legislature, Regular Session, 1991, refers to the
13 "general election dates for the election of county
14 commissioners." The revised law substitutes for the
15 quoted language a reference to the "date of the general
16 election for state and county officers" because that
17 is the term used in the Election Code to describe the
18 date on which county commissioners are elected. See,
19 for example, Sections 1.005(7) and 41.002, Election
20 Code.

21 (2) Section 9(b), Chapter 693, Acts of the 72nd
22 Legislature, Regular Session, 1991, requires certain
23 board elections on the "first Saturday in May of
24 odd-numbered years." From 1987 to 2003, Section
25 41.001, Election Code, provided for a uniform election
26 date for all political subdivisions on the first
27 Saturday in May. Chapter 1315, Acts of the 78th
28 Legislature, Regular Session, 2003, amended Section
29 41.001 to change the uniform election date in May to
30 the third Saturday in May. Chapter 1, Acts of the 78th
31 Legislature, 3rd Called Session, 2003, amended Section
32 41.001 to change the uniform election date in May back
33 to the first Saturday in May. Chapter 471, Acts of the
34 79th Legislature, Regular Session, 2005, amended
35 Section 41.001 to change the uniform election date in
36 May to the second Saturday in May. The revised law
37 substitutes "uniform election date in May" for "first

1 Saturday in May" to reflect those changes and to
2 preserve the legislative intent expressed in Section
3 9(b) that the election be held on the first Saturday in
4 May, which was at that time the uniform election date
5 in May.

6 Revised Law

7 Sec. 8842.054. ELIGIBILITY. (a) To be eligible to serve on
8 the board, a person must have been a resident of the district for at
9 least one year before the date the person takes office as a
10 director.

11 (b) To be qualified to be a candidate for or to serve as
12 director at large, a person must be a registered voter in the
13 district.

14 (c) To be a candidate for or to serve as director from a
15 county commissioners precinct, a person must be a registered voter
16 of that precinct. (Acts 72nd Leg., R.S., Ch. 693, Secs. 6(h),
17 9(d).)

18 Source Law

19 [Sec. 6]

20 (h) To be eligible to serve on the board of
21 directors, a person must have been a resident of the
22 district for at least one year before the date the
23 person takes office as a director.

24 [Sec. 9]

25 (d) To be qualified to be a candidate for or to
26 serve as director at large, a person must be a
27 registered voter in the district. To be a candidate
28 for or to serve as director from a county commissioners
29 precinct, a person must be a registered voter of that
30 precinct.

31 Revisor's Note

32 Section 9, Chapter 1348, Acts of the 77th
33 Legislature, Regular Session, 2001, refers to
34 transition procedures regarding the eligibility of
35 certain directors elected on or before June 16, 2001,
36 the effective date of the act. The revised law omits
37 the provision as executed. The omitted law reads:

38 Sec. 9. The eligibility requirement
39 created by Section 6(h), Chapter 693, Acts
40 of the 72nd Legislature, Regular Session,
41 1991, as added by this Act, applies only to

1 a director elected after the effective date
2 of this Act.

3 Revised Law

4 Sec. 8842.055. COMPENSATION; EXPENSES. A director serves
5 without compensation but is entitled to reimbursement for actual
6 expenses incurred in performing activities related to district
7 business, including education, travel, and seminars. (Acts 72nd
8 Leg., R.S., Ch. 693, Sec. 6(g).)

9 Source Law

10 (g) The directors serve without compensation;
11 but are entitled to reimbursement for actual expenses
12 incurred in the performance of activities related to
13 district business including education, travel and
14 seminars.

15 Revisor's Note
16 (End of Subchapter)

17 (1) Sections 6(b) and (c), Chapter 693, Acts of
18 the 72nd Legislature, Regular Session, 1991, refer to
19 "temporary" and "initial" directors of the district
20 and to elections under Sections 8 and 9 of that
21 chapter. The revised law omits Sections 6(b) and (c)
22 as executed because the terms of the temporary and
23 initial directors have expired and the initial
24 election for permanent directors has been held. The
25 omitted law reads:

26 (b) Temporary directors serve until
27 initial directors are elected under Section
28 8.

29 (c) Initial directors serve until
30 permanent directors are elected under
31 Section 9.

32 (2) Section 7, Chapter 693, Acts of the 72nd
33 Legislature, Regular Session, 1991, names the
34 temporary directors and provides for filling vacancies
35 on the temporary board. Because the terms of the
36 temporary directors have expired, the revised law
37 omits those provisions as executed. The omitted law
38 reads:

39 Sec. 7. (a) The temporary board of
40 directors is composed of:
41 (1) George Holekamp
42 (2) Madge Parmley Reid

- 1 (3) Thomas Syfan
- 2 (4) Eddie Taylor
- 3 (5) Tobin Parker

4 (b) If a temporary director fails to
5 qualify for office, the temporary directors
6 who have qualified shall appoint a person to
7 fill the vacancy. If at any time there are
8 fewer than three qualified temporary
9 directors, the Texas Water Commission shall
10 appoint the necessary number of persons to
11 fill all vacancies on the board.

12 (3) Section 8, Chapter 1348, Acts of the 77th
13 Legislature, Regular Session, 2001, refers to
14 transition procedures regarding the terms of certain
15 elected directors. The revised law omits those
16 provisions as executed. The omitted law reads:

17 Sec. 8. Notwithstanding Section 9,
18 Chapter 693, Acts of the 72nd Legislature,
19 Regular Session, 1991, as amended by this
20 Act:

21 (1) the three directors of the
22 Headwaters Groundwater Conservation
23 District elected at the directors' election
24 in May 2001 shall continue to serve until
25 their successors take office following an
26 election in November 2004, except that if
27 the district is prohibited from holding a
28 directors' election on the same date as the
29 general election for county commissioners,
30 those three directors shall continue to
31 serve until their successors take office
32 following an election in May 2005;

33 (2) at the district directors'
34 election in November 2004, or
35 alternatively, in May 2005, one director
36 shall be elected at large, one director
37 shall be elected from Commissioners
38 Precinct No. 2 of Kerr County, and one
39 director shall be elected from
40 Commissioners Precinct No. 4 of that
41 county;

42 (3) the two district directors
43 elected in May 2003 shall continue to serve
44 until their successors take office
45 following an election in November 2006,
46 except that if the district is prohibited
47 from holding a directors' election on the
48 same date as the general election for county
49 commissioners, those two directors shall
50 continue to serve until their successors
51 take office following an election in May
52 2007; and

53 (4) at the district directors'
54 election in November 2006, or if necessary,
55 in May 2007, one director shall be elected
56 from Commissioners Precinct No. 1 of Kerr
57 County, and one director shall be elected
58 from Commissioners Precinct No. 3 of that
59 county.

60 [Sections 8842.056-8842.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Revised Law

3 Sec. 8842.101. GROUNDWATER CONSERVATION DISTRICT POWERS
4 AND DUTIES. The district has the rights, powers, privileges,
5 functions, and duties provided by the general law of this state,
6 including Chapter 36, Water Code, applicable to groundwater
7 conservation districts created under Section 59, Article XVI, Texas
8 Constitution. (Acts 72nd Leg., R.S., Ch. 693, Sec. 5(a) (part).)

9 Source Law

10 Sec. 5. (a) The district has all of the rights,
11 powers, privileges, authority, functions, and duties
12 provided by the general law of this state, including
13 Chapter 36, Water Code, applicable to groundwater
14 conservation districts created under Article XVI,
15 Section 59, of the Texas Constitution. . . .

16 Revisor's Note

17 (1) Section 5(a), Chapter 693, Acts of the 72nd
18 Legislature, Regular Session, 1991, refers to the
19 "rights, powers, privileges, [and] authority" of the
20 district. The revised law omits "authority" because,
21 in context, "authority" is included in the meaning of
22 "rights, powers, [and] privileges."

23 (2) Section 5(b), Chapter 693, Acts of the 72nd
24 Legislature, Regular Session, 1991, refers to the
25 continuing supervision exercised by the "Texas Natural
26 Resource Conservation Commission." The revised law
27 omits the provision because the Texas Commission on
28 Environmental Quality is the successor to the Texas
29 Natural Resource Conservation Commission and
30 therefore the provision duplicates, in substance, part
31 of Section 12.081, Water Code, which is a general law
32 that applies to the district. The name of the Texas
33 Natural Resource Conservation Commission was changed
34 to the Texas Commission on Environmental Quality by
35 Section 18.01, Chapter 965, Acts of the 77th
36 Legislature, Regular Session, 2001. The omitted law
37 reads:

1 (b) The rights, powers, privileges,
2 authority, functions, and duties of the
3 district are subject to the continuing
4 right of supervision of the state to be
5 exercised by and through the Texas Natural
6 Resource Conservation Commission.

7 Revised Law

8 Sec. 8842.102. AUTHORITY OF DISTRICT TO CONTRACT WITH
9 GOVERNMENTAL BODIES. (a) The district may contract with Kerr
10 County or a river authority whose boundaries are coextensive with
11 the district's boundaries for services available from the county or
12 river authority that directly relate to the district's activities.
13 Any party to a contract under this subsection may petition the Texas
14 Commission on Environmental Quality to resolve any dispute arising
15 out of the contract.

16 (b) The district may contract with a state agency or another
17 governmental body to carry out any function of the district. (Acts
18 72nd Leg., R.S., Ch. 693, Sec. 10.)

19 Source Law

20 Sec. 10. (a) The district may contract with
21 Kerr County or a river authority whose boundaries are
22 coextensive with the district's boundaries for
23 services available from the county or river authority
24 that directly relate to the district's activities. Any
25 party to a contract required by this subsection may
26 petition the commission to resolve any dispute arising
27 out of the contract.

28 (b) The district may contract with a state
29 agency or another governmental body to carry out any
30 function of the district.

31 Revisor's Note

32 Section 10(a), Chapter 693, Acts of the 72nd
33 Legislature, Regular Session, 1991, formerly provided
34 that the district "shall" contract with certain
35 entities and authorized any party to a contract
36 "required by" that subsection to petition the
37 "commission" to resolve any dispute arising out of the
38 contract. Section 7, Chapter 1348, Acts of the 77th
39 Legislature, Regular Session, 2001, amended Section
40 10(a) of Chapter 693 to provide that the district "may"
41 enter into such a contract, but Section 7 did not make
42 a conforming change to the reference in Section 10(a)

1 to a contract "required by" that subsection. The
2 revised law substitutes a reference to a party to a
3 contract "under" that subsection for the reference to
4 a party to a contract "required by" that subsection
5 because, after the 2001 amendment, that subsection no
6 longer requires a party to enter into a contract. The
7 revised law also substitutes a reference to the "Texas
8 Commission on Environmental Quality" for the reference
9 to the "commission" because it is clear from the
10 context that the reference is to that entity. See
11 Revisor's Note (2) to Section 8842.101 of this chapter.

12 Revised Law

13 Sec. 8842.103. GRANTING OF GROUNDWATER RIGHTS PROHIBITED.
14 The district may not sell, donate, lease, or otherwise grant rights
15 in or to groundwater located in the district. (Acts 72nd Leg.,
16 R.S., Ch. 693, Sec. 11.)

17 Source Law

18 Sec. 11. The district may not sell, donate,
19 lease, or otherwise grant rights in or to underground
20 water located in the district.

21 Revisor's Note

22 Section 11, Chapter 693, Acts of the 72nd
23 Legislature, Regular Session, 1991, refers to
24 "underground water." The revised law substitutes
25 "groundwater" for "underground water" because that is
26 the term used by Chapter 36, Water Code, and because
27 that is the more commonly used and modern term.

28 Revisor's Note
29 (End of Chapter)

30 Section 12, Chapter 693, Acts of the 72nd
31 Legislature, Regular Session, 1991, recites
32 legislative findings regarding procedural
33 requirements for legislation affecting the district
34 under the constitution and other laws and rules,
35 including proper legal notice and the filing of
36 recommendations. The revised law omits those

1 provisions as executed. The omitted law reads:

2 Sec. 12. (a) The proper and legal
3 notice of the intention to introduce this
4 Act, setting forth the general substance of
5 this Act, has been published as provided by
6 law, and the notice and a copy of this Act
7 have been furnished to all persons,
8 agencies, officials, or entities to which
9 they are required to be furnished by the
10 constitution and other laws of this state,
11 including the governor, who has submitted
12 the notice and Act to the Texas Water
13 Commission.

14 (b) The Texas Water Commission has
15 filed its recommendations relating to this
16 Act with the governor, lieutenant governor,
17 and speaker of the house of representatives
18 within the required time.

19 (c) All requirements of the
20 constitution and laws of this state and the
21 rules and procedures of the legislature
22 with respect to the notice, introduction,
23 and passage of this Act are fulfilled and
24 accomplished.

25 CHAPTER 8844. HILL COUNTRY UNDERGROUND WATER CONSERVATION DISTRICT

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 8844.001. DEFINITIONS 2254
28 Sec. 8844.002. NATURE OF DISTRICT 2254
29 Sec. 8844.003. LEGISLATIVE FINDINGS 2255
30 Sec. 8844.004. DISTRICT TERRITORY 2255

31 [Sections 8844.005-8844.050 reserved for expansion]

32 SUBCHAPTER B. ANNEXATION OF TERRITORY

33 Sec. 8844.051. ANNEXATION OF TERRITORY AUTHORIZED 2257
34 Sec. 8844.052. PETITION FOR ANNEXATION ELECTION 2257
35 Sec. 8844.053. HEARING; ELECTION ORDER 2257
36 Sec. 8844.054. BALLOTS 2258
37 Sec. 8844.055. DECLARATION OF ELECTION RESULTS 2259

38 [Sections 8844.056-8844.100 reserved for expansion]

39 SUBCHAPTER C. BOARD OF DIRECTORS

40 Sec. 8844.101. COMPOSITION OF BOARD 2260
41 Sec. 8844.102. TERMS 2261
42 Sec. 8844.103. QUALIFICATIONS FOR ELECTION;
43 ELIGIBILITY TO SERVE 2261
44 Sec. 8844.104. ELECTION DATE 2262

45 [Sections 8844.105-8844.150 reserved for expansion]

1 Revisor's Note

2 Section 1, Chapter 865, Acts of the 70th
3 Legislature, Regular Session, 1987, refers to the
4 confirmation election required by Section 6 of that
5 chapter. Because the confirmation election has
6 already been held, the revised law omits the provision
7 as executed. The omitted law reads:

8 Sec. 1. On approval at the election
9 required by Section 6 of this Act,

10 Revised Law

11 Sec. 8844.003. LEGISLATIVE FINDINGS. The legislature finds
12 that:

13 (1) the organization of the district is feasible and
14 practicable;

15 (2) the land to be included in the district and the
16 residents of the district will benefit from the creation of the
17 district;

18 (3) there is a public necessity for the district; and

19 (4) the creation of the district will further the
20 public welfare. (Acts 70th Leg., R.S., Ch. 865, Sec. 3.)

21 Source Law

22 Sec. 3. The legislature finds that:

23 (1) the organization of the district is
24 feasible and practicable;

25 (2) the land to be included in and the
26 residents of the district will be benefited by the
27 creation of the district;

28 (3) there is a public necessity for the
29 district; and

30 (4) the creation of the district will
31 further the public welfare.

32 Revised Law

33 Sec. 8844.004. DISTRICT TERRITORY. The district is
34 composed of the territory located in Gillespie County, unless the
35 district's territory has been modified under:

36 (1) this subchapter; or

37 (2) other law. (Acts 70th Leg., R.S., Ch. 865, Sec. 4;
38 New.)

1 confirm creation of the district may not be
2 called and held before the first
3 anniversary of the most recent creation
4 election. If the district is not created
5 within five years after the effective date
6 of this Act, this Act expires.

7 (f) Except as specifically provided
8 by this section, an election under this
9 section is governed by the Election Code.

10 [Sections 8844.005-8844.050 reserved for expansion]

11 SUBCHAPTER B. ANNEXATION OF TERRITORY

12 Revised Law

13 Sec. 8844.051. ANNEXATION OF TERRITORY AUTHORIZED. The
14 board may annex territory to the district as provided by this
15 subchapter. (Acts 70th Leg., R.S., Ch. 865, Sec. 20(a).)

16 Source Law

17 Sec. 20. (a) The board may annex territory to
18 the district in the manner provided by this section.

19 Revised Law

20 Sec. 8844.052. PETITION FOR ANNEXATION ELECTION. (a) To
21 initiate a proceeding to annex territory to the district, a written
22 petition requesting that the board call an annexation election must
23 be presented to the board.

24 (b) The petition must:

25 (1) define the territory to be annexed; and

26 (2) be signed by at least 50 percent of the persons who
27 reside in the territory to be annexed according to the most recent
28 federal census. (Acts 70th Leg., R.S., Ch. 865, Sec. 20(b).)

29 Source Law

30 (b) To initiate annexation proceedings, a
31 petition requesting the board to call an annexation
32 election for a designated territory must be submitted
33 to the board. The petition must be in writing, must
34 define the territory to be annexed, and must be signed
35 by not fewer than 50 percent of the persons residing in
36 the territory to be annexed according to the most
37 recent federal census.

38 Revised Law

39 Sec. 8844.053. HEARING; ELECTION ORDER. (a) On receipt of a
40 petition under Section 8844.052, the board shall set a date for a
41 hearing on the petition. The hearing must be set for a date that is
42 not later than the 20th day after the date the board receives the
43 petition.

1 (b) The board shall publish notice of the place, time, date,
2 and purpose of the hearing in one or more newspapers with general
3 circulation in the district and in the territory to be annexed.

4 (c) At the hearing, any person may present testimony for or
5 against annexation of the territory to the district.

6 (d) At the conclusion of the hearing, the board shall
7 determine whether an election should be held to determine whether
8 the territory should be annexed.

9 (e) If the board determines that an election should be held,
10 the board shall issue an order calling separate elections to be held
11 in the district and in the territory to be annexed to determine
12 whether the territory should be annexed to the district. The board
13 shall hold the elections on the same day at the next uniform
14 election date following the date of the order.

15 (f) If the board determines that an election should not be
16 held, the board shall issue an order denying the petition. (Acts
17 70th Leg., R.S., Ch. 865, Secs. 20(c), (d), (e), (f), (g), (h).)

18 Source Law

19 (c) On receipt of a petition under Subsection
20 (b) of this section, the board shall set a date for a
21 hearing on the petition. The date set for the hearing
22 may not be later than the 20th day after the date on
23 which the petition is received by the board.

24 (d) The board shall publish notice of the place,
25 time, date, and purpose of the hearing in one or more
26 newspapers with general circulation in the district
27 and in the territory to be annexed.

28 (e) At the hearing, any person may present
29 testimony for or against annexation of the territory
30 to the district.

31 (f) At the conclusion of the hearing, the board
32 shall determine if an election should be held in the
33 district and the territory to be annexed to determine
34 whether the territory should be annexed.

35 (g) If the board determines that an election
36 should be held, it shall issue an order calling
37 separate elections to be held in the district and in
38 the territory to be annexed to determine if the
39 territory should be annexed to the district. The board
40 must hold the elections on the same day at the next
41 uniform election date following the date of the order.

42 (h) If the board determines that an election
43 should not be held, it shall issue an order denying the
44 petition.

45 Revised Law

46 Sec. 8844.054. BALLOTS. Ballots for an election called
47 under Section 8844.053 must be printed to provide for voting for or

1 against the proposition: "The inclusion of _____
2 (briefly describe the territory to be annexed) in the Hill Country
3 Underground Water Conservation District, and assumption by the
4 described territory of a proportional share of the outstanding
5 indebtedness of the district." (Acts 70th Leg., R.S., Ch. 865, Sec.
6 20(i).)

7 Source Law

8 (i) The ballots for the election shall be
9 printed to provide for voting for or against the
10 proposition: "The inclusion of
11 _____ (briefly describe the
12 territory to be annexed) in the Hill Country
13 Underground Water Conservation District, and
14 assumption by the described territory of a
15 proportional share of the outstanding indebtedness of
16 the district."

17 Revised Law

18 Sec. 8844.055. DECLARATION OF ELECTION RESULTS. (a) If a
19 majority of the voters in the district and a majority of the voters
20 in the territory to be annexed voting on the proposition vote in
21 favor of the proposition, the territory is annexed to the district,
22 and the board shall issue a declaration to that effect.

23 (b) If a majority of the voters in the district or in the
24 territory to be annexed voting on the proposition vote against
25 annexing the territory to the district, the territory is not
26 annexed to the district, and the board shall issue a declaration to
27 that effect.

28 (c) The board shall file a copy of the election results and
29 declaration with the Texas Commission on Environmental Quality.
30 (Acts 70th Leg., R.S., Ch. 865, Sec. 20(j).)

31 Source Law

32 (j) If a majority of the voters in the district
33 and a majority of the voters in the territory to be
34 annexed voting on the proposition vote in favor of the
35 proposition, the territory is annexed to the district,
36 and the board shall issue a declaration to that effect.
37 If a majority of the voters in either or both the
38 district and the territory to be annexed voting on the
39 proposition vote against annexing the territory to the
40 district, the territory is not annexed to the
41 district, and the board shall issue a declaration to
42 that effect. The board shall file a copy of the
43 election results and declaration with the Texas Water
44 Commission.

1 Revisor's Note

2 Section 20(j), Chapter 865, Acts of the 70th
3 Legislature, Regular Session, 1987, refers to the
4 "Texas Water Commission." The revised law substitutes
5 "Texas Commission on Environmental Quality" for "Texas
6 Water Commission" to reflect the current name of the
7 agency with the relevant regulatory authority.

8 [Sections 8844.056-8844.100 reserved for expansion]

9 SUBCHAPTER C. BOARD OF DIRECTORS

10 Revised Law

11 Sec. 8844.101. COMPOSITION OF BOARD. (a) The board is
12 composed of five directors, unless the board is expanded under
13 Subsection (b).

14 (b) If territory is annexed to the district, the territory
15 annexed is entitled to be represented by one director, and the board
16 shall add one director to the board for that purpose. The board
17 shall appoint an initial director to represent the newly annexed
18 territory. The initial director serves until the first regular
19 meeting of the board following the first regular election of
20 directors subsequent to the annexation of the territory. (Acts
21 70th Leg., R.S., Ch. 865, Secs. 8, 20(k).)

22 Source Law

23 Sec. 8. Unless expanded under Section 20(k) of
24 this Act, the board of directors of the district is
25 composed of five members as provided by Section
26 52.102, Water Code.

27 [Sec. 20]

28 (k) If the territory is annexed to the district,
29 the territory is entitled to be represented by one
30 director on the board, and one director shall be added
31 to the board for that purpose. The initial director
32 representing a territory under this section shall be
33 appointed by the board and shall serve until the first
34 regular meeting of the board following the first
35 regular election of directors subsequent to the
36 annexation of the territory to the district.

37 Revisor's Note

38 Section 8, Chapter 865, Acts of the 70th
39 Legislature, Regular Session, 1987, provides that the
40 board of directors is composed of five directors "as

1 provided by Section 52.102, Water Code." The revised
2 law omits the quoted language because it duplicates,
3 in substance, Section 36.059(b), Water Code, which
4 applies to the district under Section 8844.151 of this
5 chapter and Section 36.001(1), Water Code. Both
6 former Section 52.102, Water Code (repealed by Section
7 6, Chapter 933, Acts of the 74th Legislature, Regular
8 Session, 1995), and Section 36.059(b), Water Code,
9 provide for a district's board to be elected according
10 to "the precinct method as prescribed by Chapter 12,
11 page 1105, Special Laws, Acts of the 46th Legislature,
12 Regular Session, 1939," and include the same
13 provisions for the treatment of any part of a
14 municipality that falls in a precinct.

15 Revised Law

16 Sec. 8844.102. TERMS. Directors serve four-year terms.
17 (Acts 70th Leg., R.S., Ch. 865, Sec. 11.)

18 Source Law

19 Sec. 11. Except for the initial directors of the
20 district, directors shall serve for terms of four
21 years.

22 Revisor's Note

23 Section 11, Chapter 865, Acts of the 70th
24 Legislature, Regular Session, 1987, refers to the
25 terms of the district's initial directors. The revised
26 law omits the reference as executed because the terms
27 of the district's initial directors have expired.

28 Revised Law

29 Sec. 8844.103. QUALIFICATIONS FOR ELECTION; ELIGIBILITY TO
30 SERVE. (a) To be qualified for election as a director, a person
31 must be:

- 32 (1) a resident of the district; and
33 (2) at least 18 years of age.

34 (b) In addition to the requirements of Subsection (a):

- 35 (1) to be a director from a county commissioners

1 precinct, a person must be a resident of that precinct; and

2 (2) to be a director from a specific territory annexed
3 to the district, a person must be a resident of that territory.
4 (Acts 70th Leg., R.S., Ch. 865, Sec. 9.)

5 Source Law

6 Sec. 9. (a) To be qualified for election as a
7 director, a person must be a resident of the district
8 and must be at least 18 years of age.

9 (b) In addition to the requirements of
10 Subsection (a) of this section, a person who is a
11 director from a county commissioners precinct must be
12 a resident of that precinct and a person who is a
13 director from a specific territory annexed to the
14 district must be a resident of that territory.

15 Revised Law

16 Sec. 8844.104. ELECTION DATE. Each odd-numbered year, the
17 board shall hold an election in the district on the uniform election
18 date in May to elect the appropriate number of directors. (Acts
19 70th Leg., R.S., Ch. 865, Sec. 10.)

20 Source Law

21 Sec. 10. Beginning in the second year following
22 the creation election, an election shall be held on the
23 third Saturday in May every two years to elect the
24 appropriate number of directors to the board.

25 Revisor's Note

26 Section 10, Chapter 865, Acts of the 70th
27 Legislature, Regular Session, 1987, which took effect
28 August 31, 1987, required directors' elections to be
29 held on the "third Saturday in May every two years"
30 beginning in the "second year following the creation
31 election." When that act took effect, Section 41.001,
32 Election Code, provided for a uniform election date
33 for all political subdivisions of the first Saturday
34 in April. Chapter 14, Acts of the 69th Legislature,
35 3rd Called Session, 1986, which took effect September
36 1, 1987, amended Section 41.001 by substituting for
37 the uniform election date in April a uniform election
38 date of the third Saturday in May. Chapter 60, Acts of
39 the 70th Legislature, 2nd Called Session, 1987,
40 amended Section 41.001 to change the uniform election

1 date in May to the first Saturday in May. Section
2 4(b), Chapter 60, provides that a political
3 subdivision created by an act of the 70th Legislature,
4 1987, with a general election date of the third
5 Saturday in May shall hold the general election on the
6 first Saturday in May, the uniform election date.
7 Accordingly, the district was required to hold
8 elections on what was then the uniform election date in
9 May. Chapter 1315, Acts of the 78th Legislature,
10 Regular Session, 2003, amended Section 41.001 to
11 change the uniform election date in May back to the
12 third Saturday in May. Chapter 1, Acts of the 78th
13 Legislature, 3rd Called Session, 2003, amended Section
14 41.001 to change the uniform election date in May back
15 to the first Saturday in May. Chapter 471, Acts of the
16 79th Legislature, Regular Session, 2005, amended
17 Section 41.001 to change the uniform election date in
18 May to the second Saturday in May. The revised law
19 substitutes "uniform election date in May" for "third
20 Saturday in May" to reflect those changes and to
21 preserve the legislative intent that the election be
22 held on the uniform election date in May.

23 For the reader's convenience, the revised law
24 also substitutes "[e]ach odd-numbered year" for
25 "[b]eginning in the second year following the creation
26 election, an election shall be held . . . every two
27 years" because the creation election was held in
28 August 1987. As a result, subsequent biennial
29 directors' elections also will be held in odd-numbered
30 years.

31 Revisor's Note
32 (End of Subchapter)

33 (1) Section 5, Chapter 865, Acts of the 70th
34 Legislature, Regular Session, 1987, names the
35 "temporary" directors, provides for filling vacancies

1 on the temporary board, and requires the temporary
2 board to select certain officers. Because the terms of
3 the "temporary" directors have expired, the revised
4 law omits those provisions as executed. The omitted
5 law reads:

6 Sec. 5. (a) On the effective date of
7 this Act, the following persons are
8 designated as temporary directors of the
9 district:

- 10 (1) Precinct 1-Desmond Sagebiel
11 (2) Precinct 2-Richard Sechrist
12 (3) Precinct 3-Warren Petsch
13 (4) Precinct 4-Taylor Virdell,
14 Jr.
15 (5) At Large--Dan Hartman.

16 (b) If a vacancy occurs in the office
17 of temporary director, the remaining
18 temporary directors shall select a person
19 with the same qualifications as provided by
20 Section 9 of this Act to fill the vacancy.

21 (c) The temporary directors shall
22 select from their members persons to serve
23 as chairman, vice-chairman, and secretary.

24 (2) Section 7, Chapter 865, Acts of the 70th
25 Legislature, Regular Session, 1987, refers to
26 "temporary" directors of the district and to elections
27 under Section 6 of that chapter. The revised law omits
28 Section 7 as executed because the terms of the
29 temporary directors have expired and the initial
30 elections for permanent directors have been held. The
31 omitted law reads:

32 Sec. 7. (a) On approval of the
33 creation of the district under Section 6 of
34 this Act, the temporary directors become
35 the permanent directors of the district and
36 shall serve on the board of directors for
37 terms as provided by Subsection (b) of this
38 section.

39 (b) The persons serving as directors
40 for Precincts 1 and 3 shall serve as
41 directors until the first regular meeting
42 of the board of directors following the
43 first regular directors' election. The
44 persons serving as directors for Precincts
45 2 and 4 and the director serving at large
46 shall serve until the first regular meeting
47 of the board of directors following the
48 second regular directors' election.

49 [Sections 8844.105-8844.150 reserved for expansion]

1 SUBCHAPTER D. POWERS AND DUTIES

2 Revised Law

3 Sec. 8844.151. GROUNDWATER CONSERVATION DISTRICT POWERS
4 AND DUTIES. Except to the extent of a conflict with this chapter or
5 as limited by this chapter, the district is governed by, is subject
6 to, may exercise the powers granted by, and shall exercise the
7 duties provided by Chapter 36, Water Code. (Acts 70th Leg., R.S.,
8 Ch. 865, Sec. 12.)

9 Source Law

10 Sec. 12. Except to the extent of any conflict
11 with this Act or as specifically limited by this Act,
12 the district is governed by and subject to and may
13 exercise the powers granted, shall exercise the
14 duties, and may issue bonds and levy and collect taxes
15 as provided by Chapter 52, Water Code.

16 Revisor's Note

17 (1) Section 12, Chapter 865, Acts of the 70th
18 Legislature, Regular Session, 1987, gives the district
19 the powers and duties provided by Chapter 52, Water
20 Code. Throughout this chapter, the revised law
21 substitutes for the reference to Chapter 52, Water
22 Code, a reference to Chapter 36, Water Code. Chapter
23 933, Acts of the 74th Legislature, Regular Session,
24 1995, repealed Chapter 52, Water Code, and enacted
25 Chapter 36, Water Code, to regulate groundwater
26 conservation districts.

27 (2) Section 12, Chapter 865, Acts of the 70th
28 Legislature, Regular Session, 1987, provides that the
29 district "may issue bonds and levy and collect taxes"
30 as provided by Chapter 52, Water Code. The revised law
31 omits the quoted language because the provisions of
32 Chapter 36, Water Code, that relate to bonds and taxes
33 of groundwater conservation districts are applicable
34 to the district by their own terms and by application
35 of revised Section 8844.151 (see Revisor's Note (1)
36 above).

1 Revised Law

2 Sec. 8844.152. RECLAMATION. The district may:

3 (1) reclaim land in the district; and

4 (2) construct works, facilities, and improvements
5 necessary to accomplish that purpose. (Acts 70th Leg., R.S., Ch.
6 865, Sec. 13.)

7 Source Law

8 Sec. 13. The district may reclaim land within
9 the district and may construct necessary works,
10 facilities, and improvements to accomplish this
11 purpose.

12 Revised Law

13 Sec. 8844.153. SOIL CONSERVATION AND IMPROVEMENT. The
14 district may construct and maintain terraces or other structures on
15 land in the district and may engage in or promote land treatment
16 measures for soil conservation and improvement. (Acts 70th Leg.,
17 R.S., Ch. 865, Sec. 14.)

18 Source Law

19 Sec. 14. The district may construct and
20 maintain terraces and other structures on land in the
21 district and may engage in and promote land treatment
22 measures for soil conservation and improvement.

23 Revised Law

24 Sec. 8844.154. INPUT WELLS. The district may drill, equip,
25 operate, and maintain input wells, pumps, and other facilities to
26 carry out its purpose and powers under this chapter. (Acts 70th
27 Leg., R.S., Ch. 865, Sec. 15.)

28 Source Law

29 Sec. 15. The district may drill, equip,
30 operate, and maintain input wells, pumps, and other
31 facilities to carry out its purpose and powers under
32 this Act.

33 Revised Law

34 Sec. 8844.155. ACQUISITION OF PROPERTY. The district may
35 acquire any land or property necessary to carry out this chapter by:

36 (1) gift;

37 (2) grant;

38 (3) devise;

39 (4) lease;

1 (5) purchase; or
2 (6) the power of eminent domain. (Acts 70th Leg.,
3 R.S., Ch. 865, Sec. 16.)

4 Source Law

5 Sec. 16. The district may acquire by gift,
6 grant, devise, lease, purchase, or the power of
7 eminent domain any land or other property necessary to
8 carry out this Act.

9 Revised Law

10 Sec. 8844.156. SALE AND DISPOSAL OF PROPERTY. Subject to
11 this chapter and Chapter 36, Water Code, the district may sell or
12 otherwise dispose of land and other property of the district that is
13 not necessary to carry out the purpose or powers of the district as
14 determined by the board. (Acts 70th Leg., R.S., Ch. 865, Sec. 17.)

15 Source Law

16 Sec. 17. Subject to this Act and Chapter 52,
17 Water Code, the district may sell or otherwise dispose
18 of land and other property of the district that is not
19 necessary to carry out the purpose or powers of the
20 district as determined by the board.

21 Revised Law

22 Sec. 8844.157. APPEARANCE BEFORE RAILROAD COMMISSION. The
23 district, through the directors or the district's general manager,
24 may appear before the Railroad Commission of Texas and present
25 evidence and information related to a pending permit application
26 for an injection well to be located in the district. (Acts 70th
27 Leg., R.S., Ch. 865, Sec. 18.)

28 Source Law

29 Sec. 18. The district through the members of its
30 board or its general manager may appear before the
31 Railroad Commission of Texas and present evidence and
32 information relating to any pending permit application
33 for an injection well to be located within the
34 district.

35 Revised Law

36 Sec. 8844.158. PROHIBITION: SUPPLY OF GROUNDWATER. The
37 district may not contract to or take an action to supply groundwater
38 inside or outside the district. (Acts 70th Leg., R.S., Ch. 865,
39 Sec. 19.)

1 CHAPTER 8846. KINNEY COUNTY GROUNDWATER CONSERVATION DISTRICT

2 SUBCHAPTER A. GENERAL PROVISIONS

3 Revised Law

4 Sec. 8846.001. DEFINITIONS. In this chapter:

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

6 (2) "Commissioners court" means the Kinney County
7 Commissioners Court.

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

9 (4) "District" means the Kinney County Groundwater
10 Conservation District. (Acts 77th Leg., R.S., Ch. 1344, Sec. 2;
11 New.)

12 Source Law

13 Sec. 2. In this Act:

14 (1) "Commissioners court" means the
15 Commissioners Court of Kinney County.

16 (2) "District" means the Kinney County
17 Groundwater Conservation District.

18 Revisor's Note

19 The definitions of "board" and "director" are
20 added to the revised law for drafting convenience and
21 to eliminate frequent, unnecessary repetition of the
22 substance of the definitions.

23 Revised Law

24 Sec. 8846.002. NATURE OF DISTRICT. The district is a
25 groundwater conservation district in Kinney County created under
26 and essential to accomplish the purposes of Section 59, Article
27 XVI, Texas Constitution. (Acts 77th Leg., R.S., Ch. 1344, Secs.
28 1(a) (part), (b).)

29 Source Law

30 Sec. 1. (a) A groundwater conservation
31 district, to be known as the Kinney County Groundwater
32 Conservation District, is created in Kinney County,
33

34 (b) The district is created under and is
35 essential to accomplish the purposes of Section 59,
36 Article XVI, Texas Constitution.

37 Revisor's Note

38 (1) Section 1(a), Chapter 1344, Acts of the 77th
39 Legislature, Regular Session, 2001, refers to a

1 confirmation election. Because the confirmation
2 election has already been held, the revised law omits
3 the provision as executed. The omitted law reads:

4 (a) . . . subject to approval at a
5 confirmation election under Section 9 of
6 this Act. . . .

7 (2) Section 1(a), Chapter 1344, Acts of the 77th
8 Legislature, Regular Session, 2001, provides that the
9 district is a governmental agency and a body politic
10 and corporate. The revised law omits the provision
11 because it duplicates a portion of Section 59(b),
12 Article XVI, Texas Constitution, which provides that a
13 conservation and reclamation district is a
14 governmental agency and a body politic and corporate.
15 The omitted law reads:

16 (a) . . . The district is a
17 governmental agency and a body politic and
18 corporate.

19 Revised Law

20 Sec. 8846.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
21 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 the powers conferred by Section 59, Article XVI,
25 Texas Constitution. (Acts 77th Leg., R.S., Ch. 1344, Sec. 4.)

26 Source Law

27 Sec. 4. All of the land and other property
28 included within the boundaries of the district will be
29 benefited by the works and projects that are to be
30 accomplished by the district under powers conferred by
31 Section 59, Article XVI, Texas Constitution. The
32 district is created to serve a public use and benefit.

33 Revised Law

34 Sec. 8846.004. DISTRICT TERRITORY. The district's
35 boundaries are coextensive with the boundaries of Kinney County,
36 Texas, unless the district's territory has been modified under:

37 (1) Subchapter J, Chapter 36, Water Code; or

38 (2) other law. (Acts 77th Leg., R.S., Ch. 1344, Sec.
39 3; New.)

1 act prevails over general law in case of a conflict or
2 other inconsistency. The revised law omits the
3 provision because it duplicates, in substance, Section
4 311.026, Government Code (Code Construction Act). The
5 omitted law reads:

6 (a) . . . This Act prevails over any
7 provision of general law that is in conflict
8 or inconsistent with this Act.

9 (2) Section 9, Chapter 1344, Acts of the 77th
10 Legislature, Regular Session, 2001, provides
11 procedures for holding an election to confirm the
12 district's creation and to elect the district's initial
13 board. Because the district has been confirmed and its
14 initial directors have been elected, the revised law
15 omits those provisions as executed. The omitted law
16 reads:

17 Sec. 9. (a) The temporary board of
18 directors shall call and hold an election to
19 confirm establishment of the district and
20 to elect initial directors.

21 (b) [The district shall contract with
22 the county clerk of Kinney County to
23 conduct] the confirmation and initial
24 directors' election and

25 (c) At the confirmation and initial
26 directors' election, the temporary board of
27 directors shall have placed on the ballot
28 the name of any candidate for an initial
29 director's position and blank spaces to
30 write in the names of other persons. A
31 temporary director who is eligible to be a
32 candidate under Section 8 of this Act may
33 file for an initial director's position.

34 (d) Section 41.001(a), Election
35 Code, does not apply to a confirmation and
36 initial directors' election held as
37 provided by this section.

38 (e) Except as provided by this
39 section, a confirmation and initial
40 directors' election must be conducted as
41 provided by Sections 36.017(b)-(h), Water
42 Code, and the Election Code.

43 [Sections 8846.007-8846.050 reserved for expansion]

44 SUBCHAPTER B. BOARD OF DIRECTORS

45 Revised Law

46 Sec. 8846.051. COMPOSITION OF BOARD; TERMS. (a) The
47 district is governed by a board of seven directors.

48 (b) Directors serve staggered four-year terms.

1 (c) A director may serve consecutive terms. (Acts 77th
2 Leg., R.S., Ch. 1344, Secs. 6(a), (d), (g).)

3 Source Law

4 Sec. 6. (a) The district is governed by a board
5 of seven directors.

6 (d) Permanent directors serve staggered
7 four-year terms.

8 (g) Directors may serve consecutive terms.

9 Revisor's Note

10 (1) Section 6(d), Chapter 1344, Acts of the 77th
11 Legislature, Regular Session, 2001, refers to
12 "[p]ermanent" directors. Sections 6, 7, and 9 of
13 Chapter 1344 refer to "temporary," "initial," and
14 "permanent" directors to distinguish between the
15 "temporary" directors appointed by the Kinney County
16 Commissioners Court, the directors who immediately
17 succeeded the "temporary" directors after the first
18 election of directors, and subsequently serving
19 directors. Because the revised law omits provisions
20 regarding "temporary" and "initial" directors as
21 executed (see the revisor's notes at the end of this
22 subchapter), the revised law also omits "permanent"
23 because it does not add to the clear meaning of the
24 law.

25 (2) Section 6(e), Chapter 1344, Acts of the 77th
26 Legislature, Regular Session, 2001, provides that a
27 director must qualify to serve in the manner provided
28 by Section 36.055, Water Code. The revised law omits
29 the provision because Section 36.055, Water Code,
30 applies to the district under Section 8846.101 of this
31 chapter and Section 36.001(1), Water Code. The
32 omitted law reads:

33 (e) Each director must qualify to
34 serve as director in the manner provided by
35 Section 36.055, Water Code.

36 (3) Section 6(f), Chapter 1344, Acts of the 77th

1 Legislature, Regular Session, 2001, provides that a
2 director serves until a successor has qualified. The
3 revised law omits the provision because it duplicates
4 Section 17, Article XVI, Texas Constitution, which
5 provides that an officer in this state continues to
6 perform the officer's official duties until a
7 successor has qualified. The omitted law reads:

8 (f) A director serves until the
9 director's successor has qualified.

10 Revised Law

11 Sec. 8846.052. ELECTION OF DIRECTORS. (a) Directors are
12 elected according to the method provided by this section.

13 (b) Three at-large directors are elected by the voters of
14 the entire district. One director is elected from each county
15 commissioners precinct by the voters of that precinct.

16 (c) A person shall indicate on the application for a place
17 on the ballot the position on the board for which the person is a
18 candidate.

19 (d) At the first election after the county commissioners
20 precincts are redrawn under Section 18, Article V, Texas
21 Constitution, each director in office on the effective date of the
22 change, or elected to a term of office beginning on or after the
23 effective date of the change, shall serve, unless otherwise removed
24 as provided by law, in the position to which each was elected for
25 the entire term to which elected, even though the change in
26 boundaries places the director's residence outside the precinct
27 from which the director was elected. (Acts 77th Leg., R.S., Ch.
28 1344, Secs. 8(a), (b), (e), (f).)

29 Source Law

30 Sec. 8. (a) The directors of the district shall
31 be elected according to the method provided by this
32 section.

33 (b) Three at-large directors shall be elected by
34 the voters of the entire district, and one director
35 shall be elected from each county commissioner
36 precinct by the voters of that precinct.

37 (e) A person shall indicate on the application
38 for a place on the ballot the position on the board for
39 which the person is a candidate.

1 (f) At the first election after the county
2 commissioners precincts are redrawn under Section 18,
3 Article V, Texas Constitution, each director in office
4 on the effective date of the change, or elected to a
5 term of office beginning on or after the effective date
6 of the change, shall serve, unless otherwise removed
7 as provided by law, in the position to which each was
8 elected for the entire term to which elected, even
9 though the change in boundaries places the director's
10 residence outside the precinct from which the director
11 was elected.

12 Revised Law

13 Sec. 8846.053. ELECTION DATE. On the first Tuesday after
14 the first Monday in November of each even-numbered year, the
15 appropriate number of directors shall be elected. (Acts 77th Leg.,
16 R.S., Ch. 1344, Sec. 10(b).)

17 Source Law

18 (b) On the first Tuesday after the first Monday
19 in November of each subsequent second year following
20 the election, the appropriate number of directors
21 shall be elected.

22 Revisor's Note

23 (1) Section 10(a), Chapter 1344, Acts of the
24 77th Legislature, Regular Session, 2001, prescribes
25 the election date for the first directors' election
26 following the confirmation election. Because the
27 district has been confirmed and its first permanent
28 directors elected, the revised law omits that
29 provision as executed. The omitted law reads:

30 Sec. 10. (a) On the first Tuesday
31 after the first Monday in November of the
32 first even-numbered year after the year in
33 which the district is authorized to be
34 created at a confirmation election, an
35 election shall be held in the district for
36 the election of four directors to serve
37 four-year terms and three directors to
38 serve two-year terms.

39 (2) Section 10(b), Chapter 1344, Acts of the
40 77th Legislature, Regular Session, 2001, requires
41 directors' elections to be held on the first Tuesday
42 after the first Monday in November "of each subsequent
43 second year following the election," meaning the first
44 election of permanent directors. (See Revisor's Note
45 (1) to this section.) The revised law substitutes "of

1 each even-numbered year" for "of each subsequent
2 second year following the election" because the first
3 election of permanent directors was held in November
4 2004, an even-numbered year. As a result, subsequent
5 directors' elections will be held in even-numbered
6 years.

7 Revised Law

8 Sec. 8846.054. ELIGIBILITY. (a) To be eligible to be a
9 candidate for or to serve as a director at large, a person must be a
10 registered voter in the district and:

11 (1) for position one, reside in the district;

12 (2) for position two, reside in the city of
13 Brackettville; and

14 (3) for position three, reside in the Fort Clark
15 Springs Municipal Utility District.

16 (b) To be eligible to be a candidate for or to serve as a
17 director from a county commissioners precinct, a person must:

18 (1) be a registered voter of that precinct; and

19 (2) reside in a rural area of that precinct. (Acts
20 77th Leg., R.S., Ch. 1344, Secs. 8(c), (d).)

21 Source Law

22 (c) To be eligible to be a candidate for or to
23 serve as a director from a county commissioner
24 precinct, a person must be a registered voter of and
25 reside in a rural area of that precinct.

26 (d) To be eligible to be a candidate for or to
27 serve as a director at-large, a person must be a
28 registered voter in the district and:

29 (1) for position one, reside in the
30 district;

31 (2) for position two, reside in the city of
32 Brackettville; and

33 (3) for position three, reside in the Fort
34 Clark Springs Municipal Utility District.

35 Revised Law

36 Sec. 8846.055. BOARD VACANCY. (a) The commissioners court
37 shall appoint a replacement to fill a vacancy in the office of
38 director.

39 (b) The appointed replacement serves until the next
40 directors' election.

1 (c) At that election, a person is elected to fill the
2 position. If the position is not scheduled to be filled at the
3 election, the person elected to fill the position serves only for
4 the remainder of the unexpired term. (Acts 77th Leg., R.S., Ch.
5 1344, Sec. 6(i).)

6 Source Law

7 (i) If a vacancy occurs on the board, the
8 commissioners court shall appoint a director to serve
9 until the next election for directors. At the next
10 election for directors, a person shall be elected to
11 fill the position. If the position is not scheduled to
12 be filled at the election, the person elected to fill
13 the position shall serve only for the remainder of the
14 unexpired term.

15 Revised Law

16 Sec. 8846.056. COMPENSATION; EXPENSES. (a) A director may
17 not receive compensation for performing duties as a director.

18 (b) A director shall be reimbursed for actual reasonable
19 expenses incurred in performing duties as a director. (Acts 77th
20 Leg., R.S., Ch. 1344, Sec. 6(h).)

21 Source Law

22 (h) A director may not receive compensation but
23 shall be reimbursed for actual reasonable expenses
24 incurred by the director in performing duties as a
25 director of the district.

26 Revisor's Note
27 (End of Subchapter)

28 (1) Sections 6(b) and (c), Chapter 1344, Acts of
29 the 77th Legislature, Regular Session, 2001, refer to
30 "temporary" and "initial" directors of the district
31 and to elections under Sections 9 and 10 of that
32 chapter. The revised law omits Sections 6(b) and (c)
33 as executed because the terms of the temporary and
34 initial directors have expired and the initial
35 election for permanent directors has been held. The
36 omitted law reads:

37 (b) Temporary directors serve until
38 initial directors are elected under Section
39 9 of this Act.

40 (c) Initial directors serve until
41 permanent directors are elected under
42 Section 10 of this Act.

1 (2) Section 7, Chapter 1344, Acts of the 77th
2 Legislature, Regular Session, 2001, provides for the
3 appointment of temporary directors and for filling
4 vacancies on the temporary board. Because the
5 temporary directors were appointed and the terms of
6 the temporary directors have expired, the revised law
7 omits those provisions as executed. The omitted law
8 reads:

9 Sec. 7. (a) In this section,
10 "agricultural director" means a person who
11 owns or leases land in the district that has
12 a current agricultural use designation
13 under Chapter 23, Tax Code.

14 (b) The commissioners court shall
15 receive a list of potential temporary
16 directors of the district recommended:

17 (1) for position one, by the
18 commissioners court;

19 (2) for position two, by the
20 Brackettville City Council;

21 (3) for position three, by the
22 directors of the Fort Clark Springs
23 Municipal Utility District; and

24 (4) for positions four through
25 seven, by the directors of the West
26 Nueces-Las Moras Soil & Water Conservation
27 District #236.

28 (c) The commissioners court shall
29 appoint temporary directors and may
30 consider the list compiled in Subsection
31 (b) of this section, as follows:

32 (1) for position one, an
33 at-large, agricultural director who is a
34 resident of the district;

35 (2) for position two, an
36 at-large director who is a resident of
37 Brackettville;

38 (3) for position three, an
39 at-large director who is a resident of the
40 Fort Clark Springs Municipal Utility
41 District; and

42 (4) for positions four through
43 seven, one director from each county
44 commissioner precinct who resides in a
45 rural area of that precinct.

46 (d) If a temporary director fails to
47 qualify for office, the commissioners court
48 shall appoint a person to fill the vacancy.

49 [Sections 8846.057-8846.100 reserved for expansion]

50 SUBCHAPTER C. POWERS AND DUTIES

51 Revised Law

52 Sec. 8846.101. GROUNDWATER CONSERVATION DISTRICT POWERS
53 AND DUTIES. The district has the rights, powers, privileges,
54 functions, and duties provided by the general law of this state,

1 including Chapter 36, Water Code, applicable to groundwater
2 conservation districts created under Section 59, Article XVI, Texas
3 Constitution. (Acts 77th Leg., R.S., Ch. 1344, Sec. 5(a) (part).)

4 Source Law

5 Sec. 5. (a) The district has all of the rights,
6 powers, privileges, authority, functions, and duties
7 provided by the general law of this state, including
8 Chapter 36, Water Code, applicable to groundwater
9 conservation districts created under Section 59,
10 Article XVI, Texas Constitution. . . .

11 Revisor's Note

12 Section 5(a), Chapter 1344, Acts of the 77th
13 Legislature, Regular Session, 2001, refers to the
14 "rights, powers, privileges, [and] authority" of the
15 district. The revised law omits the reference to
16 "authority" because, in context, "authority" is
17 included in the meaning of "rights, powers, [and]
18 privileges."

19 Revisor's Note
20 (End of Subchapter)

21 Section 5(b), Chapter 1344, Acts of the 77th
22 Legislature, Regular Session, 2001, provides that the
23 district may exercise the power of eminent domain as
24 authorized by Section 36.105, Water Code. The revised
25 law omits the provision because Section 36.105, Water
26 Code, applies to the district under Section 8846.101
27 of this chapter and Section 36.001(1), Water Code. The
28 omitted law reads:

29 (b) The district may exercise the
30 power of eminent domain as authorized by
31 Section 36.105, Water Code.

32 [Sections 8846.102-8846.150 reserved for expansion]

33 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

34 Revised Law

35 Sec. 8846.151. TAXES. To pay the district's maintenance
36 and operating expenses, each year the district may impose an ad
37 valorem tax at a rate not to exceed 10 cents for each \$100 of
38 assessed valuation if a majority of the voters:

1 (1) approved the authority to impose the tax at the
2 confirmation election; or

3 (2) approve that authority at a separate election
4 called for that purpose by the board. (Acts 77th Leg., R.S., Ch.
5 1344, Sec. 11(a).)

6 Source Law

7 Sec. 11. (a) The district may levy a property
8 tax each year to pay the maintenance and operating
9 expenses of the district at a rate not to exceed 10
10 cents on each \$100 of assessed valuation if the
11 authority to impose property taxes under this Act is
12 approved by a majority of the voters voting on that
13 question at a confirmation election under Section 9 of
14 this Act or at a separate election called for that
15 purpose by the board of directors.

16 Revisor's Note

17 Section 11(a), Chapter 1344, Acts of the 77th
18 Legislature, Regular Session, 2001, refers to the
19 district's authority to "levy a property tax." The
20 revised law substitutes "impose" for "levy" because
21 "impose" is the term generally used in Title 1, Tax
22 Code, and includes the levying of a tax. The revised
23 law also substitutes "ad valorem tax" for "property
24 tax" because "ad valorem" is the term most commonly
25 used to refer to a property tax.

26 Revised Law

27 Sec. 8846.152. FEES. The district may:

28 (1) impose a fee on water exported from the district;
29 and

30 (2) assess other fees as authorized by Chapter 36,
31 Water Code. (Acts 77th Leg., R.S., Ch. 1344, Secs. 11(b), (c).)

32 Source Law

33 (b) The district may impose a fee on water
34 exported out of the district.

35 (c) The district may assess other fees as
36 authorized by Chapter 36, Water Code.

37 Revisor's Note
38 (End of Chapter)

39 (1) Section 13, Chapter 1344, Acts of the 77th
40 Legislature, Regular Session, 2001, recites

1 legislative findings regarding procedural
2 requirements for legislation affecting the district
3 under the constitution and other laws and rules,
4 including proper legal notice and the filing of
5 recommendations. The revised law omits these
6 provisions as executed. The omitted law reads:

7 Sec. 13. (a) The proper and legal
8 notice of the intention to introduce this
9 Act, setting forth the general substance of
10 this Act, has been published as provided by
11 law, and the notice and a copy of this Act
12 have been furnished to all persons,
13 agencies, officials, or entities to which
14 they are required to be furnished by the
15 constitution and other laws of this state,
16 including the governor, who has submitted
17 the notice and Act to the Texas Natural
18 Resource Conservation Commission.

19 (b) The Texas Natural Resource
20 Conservation Commission has filed its
21 recommendations relating to this Act with
22 the governor, lieutenant governor, and
23 speaker of the house of representatives
24 within the required time.

25 (c) All requirements of the
26 constitution and laws of this state and the
27 rules and procedures of the legislature
28 with respect to the notice, introduction,
29 and passage of this Act are fulfilled and
30 accomplished.

31 (2) Section 14(b), Chapter 1344, Acts of the
32 77th Legislature, Regular Session, 2001, contains
33 transition language regarding the expiration of the
34 act if the district is not confirmed at a confirmation
35 election before a certain date. The revised law omits
36 the provision as executed because the district was
37 confirmed within the required period. The omitted law
38 reads:

39 (b) If the creation of the district
40 is not confirmed at a confirmation election
41 held under Section 9 of this Act before
42 September 1, 2003, this Act expires on that
43 date.

44 CHAPTER 8848. LONE WOLF GROUNDWATER CONSERVATION DISTRICT

45 SUBCHAPTER A. GENERAL PROVISIONS

46 Sec. 8848.001. DEFINITIONS 2282
47 Sec. 8848.002. NATURE OF DISTRICT 2284
48 Sec. 8848.003. FINDINGS OF PUBLIC USE AND BENEFIT 2284

1 Sec. 8848.004. DISTRICT TERRITORY 2285

2 [Sections 8848.005-8848.050 reserved for expansion]

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 8848.051. COMPOSITION OF BOARD; TERMS 2289

5 Sec. 8848.052. ELECTION OF DIRECTORS 2291

6 Sec. 8848.053. ELECTION DATE 2293

7 Sec. 8848.054. ELIGIBILITY 2295

8 Sec. 8848.055. COMPENSATION 2295

9 [Sections 8848.056-8848.100 reserved for expansion]

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 8848.101. GROUNDWATER CONSERVATION DISTRICT

12 POWERS AND DUTIES 2299

13 [Sections 8848.102-8848.150 reserved for expansion]

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15 Sec. 8848.151. LIMITATION ON TAX RATE FOR DEBT 2300

16 CHAPTER 8848. LONE WOLF GROUNDWATER CONSERVATION DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Revised Law

19 Sec. 8848.001. DEFINITIONS. In this chapter:

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

21 (2) "Director" means a board member.

22 (3) "District" means the Lone Wolf Groundwater
23 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;
24 Acts 77th Leg., R.S., Ch. 966, Sec. 3.0402; Acts 77th Leg., R.S.,
25 Ch. 1328, Sec. 2; New.)

26 Source Law

27 [Acts 76th Leg., R.S., Ch. 1331]
28 Sec. 3. In this Act, "district" means a
29 groundwater conservation district created under
30 Section 1 of this Act.

31 [Acts 77th Leg., R.S., Ch. 966]
32 Sec. 3.0402. In this part, "district" means the
33 Lone Wolf Groundwater Conservation District.

34 [Acts 77th Leg., R.S., Ch. 1328]
35 Sec. 2. In this Act, "district" means the Lone
36 Wolf Groundwater Conservation District.

37 Revisor's Note

38 (1) The Lone Wolf Groundwater Conservation

1 District was created by Chapter 1331, Acts of the 76th
2 Legislature, Regular Session, 1999. That district is
3 one of 13 districts created by that act, with the
4 creation of each district subject to whether the
5 succeeding legislature enacted a law to ratify its
6 creation. See Sections 1 and 15, Chapter 1331. The
7 77th Legislature enacted two laws that ratified the
8 creation of the Lone Wolf Groundwater Conservation
9 District. Chapter 966, Acts of the 77th Legislature,
10 Regular Session, 2001, ratified the creation of many
11 of the districts created by Chapter 1331, including
12 the Lone Wolf Groundwater Conservation District, and
13 set forth nonamendatory substantive provisions
14 governing those districts. See Part 4, Article 3,
15 Chapter 966, regarding the Lone Wolf Groundwater
16 Conservation District and see the remainder of Article
17 3, Chapter 966, regarding the other districts.
18 Chapter 1328, Acts of the 77th Legislature, Regular
19 Session, 2001, also ratified the creation of the Lone
20 Wolf Groundwater Conservation District and set forth
21 nonamendatory substantive provisions governing that
22 district. All three legislative enactments are source
23 law for this chapter. Although Section 3, Chapter
24 1331, defines "district" to mean all of the districts
25 created under Section 1 of that act, the revised law
26 defines the term to mean the Lone Wolf Groundwater
27 Conservation District because this chapter applies
28 only to that district. Similar changes are made
29 throughout this chapter.

30 (2) The definitions of "board" and "director"
31 are added to the revised law for drafting convenience
32 and to eliminate frequent, unnecessary repetition of
33 the substance of the definitions.

1 Revised Law

2 Sec. 8848.002. NATURE OF DISTRICT. The district is a
3 groundwater conservation district created under and essential to
4 accomplish the purposes of Section 59, Article XVI, Texas
5 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
6 (c).)

7 Source Law

8 Sec. 1. (a) The following groundwater
9 conservation districts are created:

10 . . .
11 (5) Lone Wolf Groundwater Conservation
12 District;
13 . . .

14 (c) Each district created under this section is
15 created under and is essential to accomplish the
16 purposes of Section 59, Article XVI, Texas
17 Constitution.

18 Revisor's Note

19 Section 1(b), Chapter 1331, Acts of the 76th
20 Legislature, Regular Session, 1999, provides that a
21 district created under Section 1 of that act is a
22 governmental agency and a body politic and corporate.
23 This chapter does not include a revision of that
24 provision because it duplicates a portion of Section
25 59(b), Article XVI, Texas Constitution, which provides
26 that a conservation and reclamation district is a
27 governmental agency and a body politic and corporate.
28 Section 1(b) reads:

29 (b) A district created under this
30 section is a governmental agency and a body
31 politic and corporate.

32 Revised Law

33 Sec. 8848.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
34 district is created to serve a public use and benefit.

35 (b) All land and other property included in the district
36 will benefit from the works and projects accomplished by the
37 district under the powers conferred by Section 59, Article XVI,
38 Texas Constitution. (Acts 76th Leg., R.S., Ch. 1331, Sec. 4.)

1 districts created under that act and to elect the
2 initial board of those districts. Section 3.0407,
3 Chapter 966, and Section 7, Chapter 1328, Acts of the
4 77th Legislature, Regular Session, 2001, contain
5 similar provisions relating to the Lone Wolf
6 Groundwater Conservation District. This chapter does
7 not include a revision of those provisions because the
8 district has been confirmed and its initial board has
9 been elected. Sections 10, 3.0407, and 7 read:

10 [Acts 76th Leg., R.S., Ch. 1331]

11 Sec. 10. (a) Not earlier than
12 September 1, 2001, the temporary board of
13 directors shall call and hold an election to
14 confirm the district and to elect the
15 initial directors.

16 (b) At the confirmation and initial
17 directors' election, the temporary board of
18 directors shall have placed on the ballot
19 the names of the candidates for each of the
20 positions on the board. To qualify as a
21 candidate for a position, a person must be a
22 resident of the district.

23 (c) If the district is confirmed at
24 the election, the temporary board of
25 directors, at the time the vote is
26 canvassed, shall:

27 (1) declare the qualified
28 person who receives the most votes for each
29 position to be elected as the initial
30 director for that position; and

31 (2) include the results of the
32 initial directors' election in the
33 district's election report to the Texas
34 Natural Resource Conservation Commission.

35 (d) The initial directors shall draw
36 lots to determine their terms so that:

37 (1) one-half or a simple
38 majority of the directors serve four-year
39 terms that expire on the fourth anniversary
40 of the date the initial directors were
41 elected; and

42 (2) the remaining directors
43 serve two-year terms that expire on the
44 second anniversary of the date the initial
45 directors were elected.

46 (e) Subsection (a), Section 41.001,
47 Election Code, applies to a confirmation
48 and initial directors' election held as
49 provided by this section.

50 (f) Except as provided by this
51 section, a confirmation and initial
52 directors' election must be conducted as
53 provided by Subsections (b)-(h), Section
54 36.017, Water Code, and the Election Code.

55 (g) If the establishment of the
56 district has not been confirmed at an
57 election held under this section before the
58 fourth anniversary of the effective date of
59 this Act, the district is dissolved on that

1 date, except that any debts incurred shall
2 be paid and the organization of the district
3 shall be maintained until all debts are
4 paid.

5 [Acts 77th Leg., R.S., Ch. 966]

6 Sec. 3.0407. (a) The temporary board
7 of directors shall call and hold an election
8 to confirm establishment of the district
9 and to elect initial directors.

10 (b) At the confirmation and initial
11 directors election, the temporary board of
12 directors shall have placed on the ballot
13 the name of any candidate filing for an
14 initial director position and blank spaces
15 to write in the names of other persons. A
16 temporary director who is eligible to be a
17 candidate under Section 3.0406 of this part
18 may file for an initial director position.

19 (c) Section 41.001(a), Election
20 Code, does not apply to a confirmation and
21 initial directors election held as provided
22 by this section.

23 (d) Except as provided by this
24 section, a confirmation and initial
25 directors election must be conducted as
26 provided by Sections 36.017(b)-(h), Water
27 Code, and the Election Code.

28 [Acts 77th Leg., R.S., Ch. 1328]

29 Sec. 7. (a) The temporary board of
30 directors shall call and hold an election to
31 confirm establishment of the district and
32 to elect initial directors.

33 (b) At the confirmation and initial
34 directors' election, the temporary board of
35 directors shall have placed on the ballot
36 the name of any candidate filing for an
37 initial director's position and blank
38 spaces to write in the names of other
39 persons. A temporary director who is
40 eligible to be a candidate under Section 6
41 of this Act may file for an initial
42 director's position.

43 (c) Section 41.001(a), Election
44 Code, does not apply to a confirmation and
45 initial directors' election held as
46 provided by this section.

47 (d) Except as provided by this
48 section, a confirmation and initial
49 directors' election must be conducted as
50 provided by Section 36.017(b)-(h), Water
51 Code, and the Election Code.

52 (2) Section 14, Chapter 1331, Acts of the 76th
53 Legislature, Regular Session, 1999, provides that,
54 except as otherwise provided by that act, that act
55 prevails over a conflicting provision of Chapter 36,
56 Water Code. Section 3.0403, Chapter 966, Acts of the
57 77th Legislature, Regular Session, 2001, provides that
58 the part of that act relating to the district prevails
59 over general law, including Chapter 36, Water Code, in

1 case of a conflict or inconsistency. Similarly,
2 Section 3(a), Chapter 1328, Acts of the 77th
3 Legislature, Regular Session, 2001, provides that the
4 act prevails over general law in case of a conflict or
5 inconsistency. This chapter does not include a
6 revision of those provisions because they duplicate,
7 in substance, Section 311.026, Government Code (Code
8 Construction Act), and they duplicate part of Section
9 36.052(a), Water Code, which provides that a "special
10 law governing a specific district" prevails over
11 Chapter 36. Throughout this chapter, the revised law
12 omits law that duplicates law contained in Chapter 36,
13 Water Code, which applies to the district under
14 Section 8848.101 of this chapter and Section
15 36.001(1), Water Code. Sections 14, 3.0403, and 3(a)
16 read:

17 [Acts 76th Leg., R.S., Ch. 1331]
18 Sec. 14. Except as otherwise
19 provided by this Act, if there is a conflict
20 between this Act and Chapter 36, Water Code,
21 this Act controls.

22 [Acts 77th Leg., R.S., Ch. 966]
23 Sec. 3.0403. . . . This part prevails
24 over any provision of general law,
25 including Chapter 36, Water Code, or
26 Chapter 1331, Acts of the 76th Legislature,
27 Regular Session, 1999, that is in conflict
28 or inconsistent with this part.

29 [Acts 77th Leg., R.S., Ch. 1328]
30 Sec. 3. (a) . . . This Act prevails
31 over any provision of general law that is in
32 conflict or inconsistent with this Act,
33 including any provision of Chapter 1331,
34 Acts of the 76th Legislature, Regular
35 Session, 1999 (Senate Bill No. 1911).

36 (3) Section 3(b), Chapter 1328, Acts of the 77th
37 Legislature, Regular Session, 2001, provides that
38 certain provisions of the Water Code prevail over a
39 conflicting or inconsistent provision of the act. The
40 revised law omits Section 3(b) because it
41 substantially duplicates Section 36.052(b), Water
42 Code, which provides that the provisions of the Water

1 Code referenced in Section 3(b), in addition to
2 Section 36.107, Water Code, prevail over a conflicting
3 or inconsistent provision of a special law that
4 governs a specific district. Although Section 3(b)
5 does not reference Section 36.107, Water Code, that
6 section of Chapter 36 is not in conflict or
7 inconsistent with any provision of this chapter. The
8 omitted law reads:

9 (b) Notwithstanding Subsection (a),
10 the following provisions prevail over a
11 conflicting or inconsistent provision of
12 this Act:

- 13 (1) Sections 36.1071-36.108,
14 Water Code;
15 (2) Sections 36.159-36.161,
16 Water Code; and
17 (3) Subchapter I, Chapter 36,
18 Water Code.

19 [Sections 8848.005-8848.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Revised Law

22 Sec. 8848.051. COMPOSITION OF BOARD; TERMS. (a) The
23 district is governed by a board of five directors.

24 (b) Directors serve staggered four-year terms. (Acts 77th
25 Leg., R.S., Ch. 966, Secs. 3.0404(a), (d); Acts 77th Leg., R.S., Ch.
26 1328, Secs. 4(a), (d).)

27 Source Law

28 [Acts 77th Leg., R.S., Ch. 966]

29 Sec. 3.0404. (a) The district is governed by a
30 board of five directors.

31 (d) Permanent directors serve staggered
32 four-year terms.

33 [Acts 77th Leg., R.S., Ch. 1328]

34 Sec. 4. (a) The district is governed by a board
35 of five directors.

36 (d) Permanent directors serve staggered
37 four-year terms.

38 Revisor's Note

39 (1) Section 3.0404(d), Chapter 966, and Section
40 4(d), Chapter 1328, Acts of the 77th Legislature,
41 Regular Session, 2001, refer to "[p]ermanent"
42 directors. Section 3.0404 of Chapter 966 and Section 4

1 of Chapter 1328 refer to "temporary," "initial," and
2 "permanent" directors to distinguish between the
3 "temporary" directors, the directors who immediately
4 succeeded the "temporary" directors after the first
5 election of directors, and subsequently serving
6 directors. Because the revised law omits provisions
7 regarding "temporary" and "initial" directors as
8 executed (see the revisor's notes at the end of this
9 subchapter), the revised law also omits "permanent"
10 because it does not contribute to the clear meaning of
11 the law.

12 (2) Section 3.0404(e), Chapter 966, and Section
13 4(e), Chapter 1328, Acts of the 77th Legislature,
14 Regular Session, 2001, provide that a director must
15 qualify to serve in the manner provided by Section
16 36.055, Water Code. The revised law omits those
17 provisions because Section 36.055, Water Code, applies
18 to the district under Section 8848.101 of this chapter
19 and Section 36.001(1), Water Code. The omitted law
20 reads:

21 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0404]
22 (e) Each director must qualify to
23 serve as director in the manner provided by
24 Section 36.055, Water Code.

25 [Acts 77th Leg., R.S., Ch. 1328, Sec. 4]
26 (e) Each director must qualify to
27 serve as director in the manner provided by
28 Section 36.055, Water Code.

29 (3) Section 3.0404(f), Chapter 966, and Section
30 4(f), Chapter 1328, Acts of the 77th Legislature,
31 Regular Session, 2001, provide that a director serves
32 until a successor has qualified. The revised law omits
33 those provisions because they duplicate Section 17,
34 Article XVI, Texas Constitution, which provides that
35 an officer in this state continues to perform the
36 officer's official duties until a successor has
37 qualified. The omitted law reads:

1 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0404]
2 (f) A director serves until the
3 director's successor has qualified.

4 [Acts 77th Leg., R.S., Ch. 1328, Sec. 4]
5 (f) A director serves until the
6 director's successor has qualified.

7 Revised Law

8 Sec. 8848.052. ELECTION OF DIRECTORS. (a) Directors are
9 elected according to the commissioners precinct method as provided
10 by this section.

11 (b) One director is elected by the voters of the entire
12 district. One director is elected from each county commissioners
13 precinct by the voters of that precinct.

14 (c) A person shall indicate on the application for a place
15 on the ballot:

16 (1) the precinct that the person seeks to represent;

17 or

18 (2) that the person seeks to represent the district at
19 large.

20 (d) When the boundaries of the county commissioners
21 precincts are changed, each director in office on the effective
22 date of the change or elected to a term of office beginning on or
23 after the effective date of the change serves in the precinct to
24 which the director was elected for the entire term to which the
25 director was elected, even though the change in boundaries places
26 the person's residence outside the precinct for which the person
27 was elected. (Acts 77th Leg., R.S., Ch. 966, Secs. 3.0406(a), (b),
28 (d), (e); Acts 77th Leg., R.S., Ch. 1328, Secs. 6(a), (b), (d).)

29 Source Law

30 [Acts 77th Leg., R.S., Ch. 966]

31 Sec. 3.0406. (a) The directors of the district
32 shall be elected according to the commissioners
33 precinct method as provided by this section.

34 (b) One director shall be elected by the voters
35 of the entire district, and one director shall be
36 elected from each county commissioners precinct by the
37 voters of that precinct.

38 (d) A person shall indicate on the application
39 for a place on the ballot:

40 (1) the precinct that the person seeks to
41 represent; or

42 (2) that the person seeks to represent the
43 district at large.

1 (e) When the boundaries of the commissioners
2 precincts are changed, each director in office on the
3 effective date of the change or elected to a term of
4 office beginning on or after the effective date of the
5 change serves in the precinct to which the director was
6 elected for the entire term to which the director was
7 elected, even though the change in boundaries places
8 the person's residence outside the precinct for which
9 the person was elected.

10 [Acts 77th Leg., R.S., Ch. 1328]

11 Sec. 6. (a) The directors of the district shall
12 be elected according to the commissioners precincts
13 method as provided by this section.

14 (b) One director shall be elected by the voters
15 of the entire district, and one director shall be
16 elected from each county commissioners precinct by the
17 voters of that precinct.

18 (d) A person shall indicate on the application
19 for a place on the ballot:

20 (1) the precinct that the person seeks to
21 represent; or

22 (2) that the person seeks to represent the
23 district at large.

24 Revisor's Note

25 Section 3.0406(e), Chapter 966, Acts of the 77th
26 Legislature, Regular Session, 2001, provides that when
27 county commissioners precinct boundaries change under
28 Section 18, Article V, Texas Constitution, a director
29 represents the precinct to which the director was
30 elected for the entire term to which the director was
31 elected. Section 6(e), Chapter 1328, Acts of the 77th
32 Legislature, Regular Session, 2001, provides instead
33 that when precinct boundaries change under Section 18,
34 Article V, Texas Constitution, four new directors are
35 to be elected to represent the redrawn precincts. The
36 two provisions are irreconcilable. Under Section
37 312.014, Government Code, if statutes are
38 irreconcilable, the statute latest in date of
39 enactment prevails. The date of enactment is the date
40 on which the last legislative vote is taken on the bill
41 enacting the statute. The last legislative vote on
42 Chapter 966 was taken on May 27, 2001. The last
43 legislative vote on Chapter 1328 was taken on May 22,
44 2001. Accordingly, the revised law codifies Section
45 3.0406(e), Chapter 966, and omits Section 6(e),

1 Chapter 1328. The omitted law reads:

2 (e) At the first election after the
3 county commissioners precincts are redrawn
4 under Section 18, Article V, Texas
5 Constitution, four new directors shall be
6 elected to represent the precincts. The
7 directors elected shall draw lots to
8 determine which two directors serve
9 two-year terms and which two directors
10 serve four-year terms.

11 Revised Law

12 Sec. 8848.053. ELECTION DATE. On the uniform election date
13 in May of each even-numbered year, the appropriate number of
14 directors shall be elected. (Acts 77th Leg., R.S., Ch. 966, Sec.
15 3.0408(b); Acts 77th Leg., R.S., Ch. 1328, Sec. 8(b).)

16 Source Law

17 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0408]

18 (b) On the first Saturday in May of each
19 subsequent second year following the election, the
20 appropriate number of directors shall be elected.

21 [Acts 77th Leg., R.S., Ch. 1328, Sec. 8]

22 (b) On the first Saturday in May of each
23 subsequent second year following the election, the
24 appropriate number of directors shall be elected.

25 Revisor's Note

26 (1) Section 3.0408(a), Chapter 966, and Section
27 8(a), Chapter 1328, Acts of the 77th Legislature,
28 Regular Session, 2001, prescribe the election date for
29 the first directors' election following the
30 confirmation election. Because the district has been
31 confirmed and its first permanent directors elected,
32 the revised law omits those provisions as executed.
33 The omitted law reads:

34 [Acts 77th Leg., R.S., Ch. 966]

35 Sec. 3.0408. (a) On the first
36 Saturday in May of the first even-numbered
37 year after the year in which the district is
38 authorized to be created at a confirmation
39 election, an election shall be held in the
40 district for the election of three
41 directors to serve four-year terms and two
42 directors to serve two-year terms.

43 [Acts 77th Leg., R.S., Ch. 1328]

44 Sec. 8. (a) On the first Saturday in
45 May of the first even-numbered year after
46 the year in which the district is authorized
47 to be created at a confirmation election, an
48 election shall be held in the district for

1 the election of three directors to serve
2 four-year terms and two directors to serve
3 two-year terms.

4 (2) Section 3.0408(b), Chapter 966, and Section
5 8(b), Chapter 1328, Acts of the 77th Legislature,
6 Regular Session, 2001, required board elections to be
7 held on the "first Saturday in May of each subsequent
8 second year following the election," meaning the first
9 election of permanent directors (see Revisor's Note
10 (1)). When Chapters 966 and 1328 were enacted, Section
11 41.001, Election Code, also provided for a uniform
12 election date of the first Saturday in May for all
13 political subdivisions, indicating that the
14 legislature intended the district's election to
15 coincide with that uniform date. Chapter 1315, Acts of
16 the 78th Legislature, Regular Session, 2003, amended
17 Section 41.001, Election Code, to change the uniform
18 election date in May to the third Saturday in May.
19 Chapter 1, Acts of the 78th Legislature, 3rd Called
20 Session, 2003, amended Section 41.001 to change the
21 uniform election date in May back to the first Saturday
22 in May. Chapter 471, Acts of the 79th Legislature,
23 Regular Session, 2005, amended Section 41.001 to
24 change the uniform election date in May to the second
25 Saturday in May. The revised law substitutes "uniform
26 election date in May" for "first Saturday in May" to
27 reflect those changes and to preserve the legislative
28 intent that the election be held on the uniform
29 election date in May.

30 The revised law also substitutes "each
31 even-numbered year" for "each subsequent second year
32 following the election" because the first election of
33 permanent directors was held in May 2004. As a result,
34 subsequent directors' elections will also be held in
35 even-numbered years.

1 Revised Law

2 Sec. 8848.054. ELIGIBILITY. (a) To be eligible to be a
3 candidate for or to serve as director at large, a person must be a
4 registered voter in the district.

5 (b) To be eligible to be a candidate for or to serve as
6 director from a county commissioners precinct, a person must be a
7 registered voter of that precinct, except as provided by Section
8 8848.052(d). (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0406(c); Acts
9 77th Leg., R.S., Ch. 1328, Sec. 6(c); New.)

10 Source Law

11 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0406]

12 (c) To be eligible to be a candidate for or to
13 serve as director at large, a person must be a
14 registered voter in the district. To be eligible to be
15 a candidate for or to serve as director from a county
16 commissioners precinct, a person must be a registered
17 voter of that precinct.

18 [Acts 77th Leg., R.S., Ch. 1328, Sec. 6]

19 (c) To be eligible to be a candidate for or to
20 serve as director at large, a person must be a
21 registered voter in the district. To be eligible to be
22 a candidate for or to serve as director from a county
23 commissioners precinct, a person must be a registered
24 voter of that precinct.

25 Revisor's Note

26 Section 3.0406(c), Chapter 966, and Section 6(c),
27 Chapter 1328, Acts of the 77th Legislature, Regular
28 Session, 2001, provide that to be eligible to serve as
29 a director from a county commissioners precinct, a
30 person must be a registered voter of that precinct.
31 For the convenience of the reader, the revised law adds
32 a cross-reference to Section 8848.052(d) of this
33 chapter because that section provides for an exception
34 to the eligibility requirement when the county
35 commissioners precincts are redrawn.

36 Revised Law

37 Sec. 8848.055. COMPENSATION. A director is not entitled to
38 fees of office. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0405 (part);
39 Acts 77th Leg., R.S., Ch. 1328, Sec. 5 (part).)

1 have the authority granted by the following
2 provisions of Chapter 36, Water Code:

3 (1) Sections 36.017, 36.019,
4 36.020, and 36.059, relating to elections;

5 (2) Sections 36.105, 36.1071,
6 36.1072, 36.1073, and 36.108, relating to
7 eminent domain and management plans;

8 (3) Sections 36.171-36.181,
9 relating to bonds and notes;

10 (4) Sections 36.201-36.204,
11 relating to taxes; and

12 (5) Sections 36.321-36.359,
13 relating to annexation and consolidation.

14 (d) The temporary directors may
15 regulate the transfer of groundwater out of
16 the district as provided by Section 36.122,
17 Water Code, but may not prohibit the
18 transfer of groundwater out of the
19 district.

20 Sec. 12. Prior to September 1, 2001,
21 the temporary directors of a district shall
22 not hold an election for the imposition of a
23 tax.

24 (2) Section 7, Chapter 1331, Acts of the 76th
25 Legislature, Regular Session, 1999, relates to the
26 election of initial directors of a district created
27 under that act. This chapter does not include a
28 revision of that provision because it is executed.
29 Section 7 reads:

30 Sec. 7. The initial directors may not
31 be elected until after September 1, 2001.

32 (3) Sections 8 and 9, Chapter 1331, Acts of the
33 76th Legislature, Regular Session, 1999, provide for
34 the appointment of temporary directors of a district
35 created under that act and require the temporary
36 directors to hold an organizational meeting of the
37 district. This chapter does not include a revision of
38 those provisions because they are executed. Sections
39 8 and 9 read:

40 Sec. 8. (a) Except as provided by
41 Subsections (b) and (c) of this section, the
42 commissioners court of a county containing
43 territory included within the district
44 shall appoint temporary directors in
45 accordance with the provisions of Section
46 36.016, Water Code, relating to the
47 appointment of temporary directors by
48 county commissioners courts.

49 (b) For districts composed of more
50 than one county, the county commissioners
51 court of each county with territory in the
52 district shall appoint an equal number of

1 temporary directors, the total number of
2 temporary directors appointed to be
3 determined by the county commissioners
4 courts except that the total number of
5 directors may not be fewer than five or more
6 than 11.

7 (c) The 90-day limit for the
8 appointment of temporary directors under
9 Section 36.016, Water Code, does not apply
10 to the appointment of temporary directors
11 under this Act.

12 Sec. 9. (a) As soon as practicable
13 after the temporary directors are appointed
14 as provided by this Act, the temporary
15 directors shall hold the organizational
16 meeting of the district and take office at
17 that time.

18 (b) The temporary directors shall
19 hold the meeting at a location within the
20 district to which a majority of the
21 temporary directors agree.

22 (4) Section 11, Chapter 1331, Acts of the 76th
23 Legislature, Regular Session, 1999, provides for the
24 election of permanent directors of a district created
25 under that act. This chapter does not include a
26 revision of that section because, as that section
27 relates to the Lone Wolf Groundwater Conservation
28 District, it is superseded by Section 3.0408, Chapter
29 966, and Section 8, Chapter 1328, Acts of the 77th
30 Legislature, Regular Session, 2001, which provide for
31 the election of the district's directors. See Section
32 8848.053 of this chapter and the revisor's notes to
33 that section. Section 3.0403, Chapter 966, and
34 Section 3(a), Chapter 1328, provide that the part of
35 the act pertaining to the district or the act,
36 respectively, prevails over Chapter 1331 in case of a
37 conflict or inconsistency. Section 11 reads:

38 Sec. 11. Beginning in the second year
39 after the year in which the district has
40 held a confirmation election, an election
41 shall be held in the district on the first
42 Saturday in the month in which the initial
43 directors were elected under Section 10 of
44 this Act and every two years after that date
45 to elect the appropriate number of
46 directors to the board.

47 (5) Sections 3.0404(b) and (c), Chapter 966,
48 Acts of the 77th Legislature, Regular Session, 2001,
49 refer to "temporary" and "initial" directors of the

1 district and to elections under Sections 3.0407 and
2 3.0408 of that chapter. Sections 4(b) and (c), Chapter
3 1328, Acts of the 77th Legislature, Regular Session,
4 2001, contain similar provisions. The revised law
5 omits Sections 3.0404(b) and (c), Chapter 966, and
6 Sections 4(b) and (c), Chapter 1328, as executed
7 because the terms of the temporary and initial
8 directors have expired and the initial election for
9 permanent directors has been held. The omitted law
10 reads:

11 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0404]
12 (b) Temporary directors serve until
13 initial directors are elected under Section
14 3.0407 of this part.
15 (c) Initial directors serve until
16 permanent directors are elected under
17 Section 3.0408 of this part.

18 [Acts 77th Leg., R.S., Ch. 1328, Sec. 4]
19 (b) Temporary directors serve until
20 initial directors are elected under Section
21 7 of this Act.
22 (c) Initial directors serve until
23 permanent directors are elected under
24 Section 8 of this Act.

25 [Sections 8848.056-8848.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Revised Law

28 Sec. 8848.101. GROUNDWATER CONSERVATION DISTRICT POWERS
29 AND DUTIES. The district has the rights, powers, privileges,
30 functions, and duties provided by the general law of this state,
31 including Chapter 36, Water Code, applicable to groundwater
32 conservation districts created under Section 59, Article XVI, Texas
33 Constitution. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0403 (part);
34 Acts 77th Leg., R.S., Ch. 1328, Sec. 3(a) (part).)

35 Source Law

36 [Acts 77th Leg., R.S., Ch. 966]
37 Sec. 3.0403. The district has all of the rights,
38 powers, privileges, authority, functions, and duties
39 provided by the general law of the state, including
40 Chapter 36, Water Code, applicable to groundwater
41 conservation districts created under Section 59,
42 Article XVI, Texas Constitution. . . .

43 [Acts 77th Leg., R.S., Ch. 1328]
44 Sec. 3. (a) The district has all of the rights,

1 powers, privileges, authority, functions, and duties
2 provided by the general law of this state, including
3 Chapter 36, Water Code, applicable to groundwater
4 conservation districts created under Section 59,
5 Article XVI, Texas Constitution. . . .

6 Revisor's Note

7 Section 3.0403, Chapter 966, and Section 3(a),
8 Chapter 1328, Acts of the 77th Legislature, Regular
9 Session, 2001, refer to the "rights, powers,
10 privileges, [and] authority" of the district. The
11 revised law omits the reference to "authority"
12 because, in context, "authority" is included in the
13 meaning of "rights, powers, [and] privileges."

14 Revisor's Note
15 (End of Subchapter)

16 Section 6, Chapter 1331, Acts of the 76th
17 Legislature, Regular Session, 1999, prohibits a
18 district created under that act from adopting a
19 comprehensive management plan before September 1,
20 2001. This chapter does not include a revision of that
21 provision because it is executed. Section 6 reads:

22 Sec. 6. To ensure consistency of
23 district long-term management plans with
24 the regional planning process authorized by
25 Senate Bill No. 1 (Chapter 1010), Acts of
26 the 75th Legislature, Regular Session,
27 1997, a district may not adopt the
28 comprehensive management plan required by
29 Section 36.1071, Water Code, before
30 September 1, 2001.

31 [Sections 8848.102-8848.150 reserved for expansion]

32 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

33 Revised Law

34 Sec. 8848.151. LIMITATION ON TAX RATE FOR DEBT. The
35 district may impose an ad valorem tax at a rate not to exceed 20
36 cents for each \$100 of assessed valuation to pay any part of the
37 bonds or notes issued by the district if a majority of the voters
38 approve:

39 (1) the authority to impose the tax at the
40 confirmation election; or

41 (2) that authority at a separate election called for

1 that purpose by the board. (Acts 77th Leg., R.S., Ch. 966, Sec.
2 3.0409; Acts 77th Leg., R.S., Ch. 1328, Sec. 9.)

3 Source Law

4 [Acts 77th Leg., R.S., Ch. 966]

5 Sec. 3.0409. The district may levy property
6 taxes at a rate not to exceed 20 cents on each \$100 of
7 assessed valuation to pay any part of the bonds or
8 notes issued by the district if the authority to impose
9 property taxes under this part is approved by a
10 majority of the voters voting at a confirmation
11 election under Section 3.0407 of this part or at a
12 separate election called for that purpose by the board
13 of directors.

14 [Acts 77th Leg., R.S., Ch. 1328]

15 Sec. 9. The district may levy property taxes at
16 a rate not to exceed 20 cents on each \$100 of assessed
17 valuation to pay any part of the bonds or notes issued
18 by the district if the authority to impose property
19 taxes under this Act is approved by a majority of the
20 voters voting at a confirmation election under Section
21 7 of this Act or at a separate election called for that
22 purpose by the board of directors.

23 Revisor's Note

24 Section 3.0409, Chapter 966, and Section 9,
25 Chapter 1328, Acts of the 77th Legislature, Regular
26 Session, 2001, authorize the district to "levy
27 property taxes." The revised law substitutes "impose"
28 for "levy" because "impose" is the term generally used
29 in Title 1, Tax Code, and includes the levying of a
30 tax. The revised law also substitutes "ad valorem
31 taxes" for "property taxes" because "ad valorem" is
32 the term most commonly used to refer to a property tax.

33 Revisor's Note
34 (End of Chapter)

35 (1) Section 13, Chapter 1331, Acts of the 76th
36 Legislature, Regular Session, 1999, provides that a
37 district created under that act may be modified by
38 subsequent acts of the Texas Legislature. It is a
39 well-accepted principle of constitutional law that a
40 legislature may not, through statutory law, limit or
41 expand the authority of a future legislature. By
42 application of that principle, a district created
43 under an act of the legislature may be modified by a

1 subsequent legislative act without an express
2 statement to that effect in the act creating the
3 district. Accordingly, this chapter does not include
4 a revision of that provision because it does not add to
5 the clear meaning of the law. Section 13 reads:

6 Sec. 13. A district created under
7 this Act may be modified by subsequent acts
8 of the Texas Legislature. The modification
9 may be in response to the recommendations of
10 an interim study or committee, including
11 the possibility of adding additional area
12 to the district or merging the district with
13 other districts for the purposes of the
14 efficient and effective management of a
15 common groundwater resource.

16 (2) Section 15, Chapter 1331, Acts of the 76th
17 Legislature, Regular Session, 1999, provides that an
18 election to confirm the creation of a district under
19 that act and to elect initial directors may not be held
20 unless action is taken by the 77th Legislature,
21 Regular Session, to ratify the creation of the
22 district and provides for the dissolution of a
23 district created by that act whose creation is not
24 ratified. This chapter does not include a revision of
25 that provision as it relates to the Lone Wolf
26 Groundwater Conservation District because it was
27 executed when the creation of the district was
28 ratified by Section 3.0401, Chapter 966, and Section
29 1, Chapter 1328, Acts of the 77th Legislature, Regular
30 Session, 2001, subject to approval at a confirmation
31 election. Section 15 reads:

32 Sec. 15. (a) Notwithstanding the
33 provisions of Section 10 of this Act, an
34 election for the confirmation of the
35 creation of a groundwater conservation
36 district under this Act and for the
37 selection of initial directors for such
38 district shall not be held unless action is
39 taken by the 77th Legislature in its Regular
40 Session to ratify the creation of the
41 district.

42 (b) Except as provided by Subsection
43 (c) of this section, a groundwater
44 conservation district created by this Act
45 whose creation is not ratified by the 77th
46 Legislature as provided by Subsection (a)

1 of this section is dissolved effective
2 September 1, 2001.

3 (c) If a groundwater conservation
4 district is dissolved under this section,
5 the district has no further authority,
6 except that any debts incurred shall be paid
7 and the organization of the district shall
8 be maintained until all debts are paid.

9 (3) Section 3.0401, Chapter 966, and Section 1,
10 Chapter 1328, Acts of the 77th Legislature, Regular
11 Session, 2001, ratified the creation of the district,
12 subject to approval at a confirmation election. The
13 revised law omits those provisions as executed. The
14 omitted law reads:

15 [Acts 77th Leg., R.S., Ch. 966]

16 Sec. 3.0401. The creation of the Lone
17 Wolf Groundwater Conservation District in
18 Mitchell County by Chapter 1331, Acts of the
19 76th Legislature, Regular Session, 1999, is
20 ratified as required by Section 15(a) of
21 that chapter, subject to approval at a
22 confirmation election under Section 3.0407
23 of this part.

24 [Acts 77th Leg., R.S., Ch. 1328]

25 Sec. 1. The creation by Chapter 1331,
26 Acts of the 76th Legislature, Regular
27 Session, 1999 (Senate Bill No. 1911), of the
28 Lone Wolf Groundwater Conservation District
29 in Mitchell County is ratified as required
30 by Section 15(a) of that Act, subject to
31 approval at a confirmation election under
32 Section 7 of this Act.

33 (4) Section 3.0410, Chapter 966, and Section
34 13(b), Chapter 1328, Acts of the 77th Legislature,
35 Regular Session, 2001, contain transition language
36 regarding the expiration of the part of the act
37 relating to the district or of the act, respectively,
38 if the district is not confirmed at a confirmation
39 election before a certain date. The revised law omits
40 those provisions as executed because the district was
41 confirmed within the required period. The omitted law
42 reads:

43 [Acts 77th Leg., R.S., Ch. 966]

44 Sec. 3.0410. If the creation of the
45 district is not confirmed at a confirmation
46 election held under Section 3.0407 of this
47 part before September 1, 2003, the district
48 is dissolved and this part expires on that
49 date.

1 [Acts 77th Leg., R.S., Ch. 1328, Sec. 13]

2 (b) If the creation of the district
3 is not confirmed at a confirmation election
4 held under Section 7 of this Act before
5 September 1, 2003, this Act expires on that
6 date.

7 (5) Section 13.05, Chapter 966, Acts of the 77th
8 Legislature, Regular Session, 2001, provides that the
9 act is severable. This chapter does not include a
10 revision of that provision because it duplicates
11 Section 311.032, Government Code (Code Construction
12 Act), which states that a provision of a statute is
13 severable from each other provision of the statute
14 that can be given effect. Section 13.05 reads:

15 Sec. 13.05. If any provision of this
16 Act or its application to any person or
17 circumstance is held invalid, the
18 invalidity does not affect other provisions
19 or applications of this Act that can be
20 given effect without the invalid provision
21 or application, and to this end the
22 provisions of this Act are declared to be
23 severable.

24 (6) Section 16, Chapter 1331, Acts of the 76th
25 Legislature, Regular Session, 1999, recites
26 legislative findings regarding procedural
27 requirements for legislation affecting the districts
28 created by that act under the constitution and other
29 laws and rules, including proper legal notice and the
30 filing of recommendations. Section 13.04, Chapter
31 966, and Section 10, Chapter 1328, Acts of the 77th
32 Legislature, Regular Session, 2001, recite similar
33 findings regarding requirements for legislation
34 affecting the districts ratified by that act and of the
35 Lone Wolf Groundwater Conservation District,
36 respectively. This chapter does not include a
37 revision of those provisions because they are
38 executed. Sections 16, 13.04, and 10 read:

39 [Acts 76th Leg., R.S., Ch. 1331]

40 Sec. 16. (a) The proper and legal
41 notice of the intention to introduce this
42 Act, setting forth the general substance of
43 this Act, has been published as provided by
44 law, and the notice and a copy of this Act

1 have been furnished to all persons,
2 agencies, officials, or entities to which
3 they are required to be furnished by the
4 constitution and other laws of this state,
5 including the governor, who has submitted
6 the notice and Act to the Texas Natural
7 Resource Conservation Commission.

8 (b) The Texas Natural Resource
9 Conservation Commission has filed its
10 recommendations relating to this Act with
11 the governor, lieutenant governor, and
12 speaker of the house of representatives
13 within the required time.

14 (c) All requirements of the
15 constitution and laws of this state and the
16 rules and procedures of the legislature
17 with respect to the notice, introduction,
18 and passage of this Act are fulfilled and
19 accomplished.

20 (d) The procedural requirements of
21 this section relating to the provision of
22 notice have been met by the provision of
23 notice of the introduction of the proposed
24 Acts of the 76th Legislature relating to the
25 creation of the groundwater conservation
26 districts now created by this Act.

27 [Acts 77th Leg., R.S., Ch. 966]

28 Sec. 13.04. (a) The proper and legal
29 notice of the intention to introduce this
30 Act, setting forth the general substance of
31 this Act, has been published as provided by
32 law, and the notice and a copy of this Act
33 have been furnished to all persons,
34 agencies, officials, or entities to which
35 they are required to be furnished by the
36 constitution and other laws of this state,
37 including the governor, who has submitted
38 the notice and Act to the Texas Natural
39 Resource Conservation Commission.

40 (b) The Texas Natural Resource
41 Conservation Commission has filed its
42 recommendations relating to this Act with
43 the governor, lieutenant governor, and
44 speaker of the house of representatives
45 within the required time.

46 (c) All requirements of the
47 constitution and laws of the state and the
48 rules and procedures of the legislature
49 with respect to the notice, introduction,
50 and passage of this Act are fulfilled and
51 accomplished.

52 [Acts 77th Leg., R.S., Ch. 1328]

53 Sec. 10. (a) The proper and legal
54 notice of the intention to introduce this
55 Act, setting forth the general substance of
56 this Act, has been published as provided by
57 law, and the notice and a copy of this Act
58 have been furnished to all persons,
59 agencies, officials, or entities to which
60 they are required to be furnished by the
61 constitution and other laws of this state,
62 including the governor, who has submitted
63 the notice and Act to the Texas Natural
64 Resource Conservation Commission.

65 (b) The Texas Natural Resource
66 Conservation Commission has filed its
67 recommendations relating to this Act with

1 the governor, lieutenant governor, and
2 speaker of the house of representatives
3 within the required time.

4 (c) All requirements of the
5 constitution and laws of this state and the
6 rules and procedures of the legislature
7 with respect to the notice, introduction,
8 and passage of this Act are fulfilled and
9 accomplished.

10 (7) Sections 11 and 12, Chapter 1328, Acts of
11 the 77th Legislature, Regular Session, 2001, validate
12 certain acts of the district taken before September 1,
13 2001. Those provisions are omitted from the revised
14 law because they served their purpose on the day they
15 took effect and are executed law. Section
16 311.031(a)(2), Government Code (Code Construction
17 Act), provides that the repeal of a statute does not
18 affect any validation previously made under the
19 statute. Therefore, the omission of the executed
20 validation provisions does not affect the validation.
21 The omitted law reads:

22 Sec. 11. All past acts of the district
23 are validated and confirmed.
24 Sec. 12. Section 11 of this Act does
25 not apply to any matter that is the subject
26 of litigation on the effective date of this
27 Act.

28 CHAPTER 8849. LOST PINES GROUNDWATER CONSERVATION DISTRICT

29 SUBCHAPTER A. GENERAL PROVISIONS

30 Sec. 8849.001. DEFINITIONS 2307
31 Sec. 8849.002. NATURE OF DISTRICT 2309
32 Sec. 8849.003. FINDINGS OF PUBLIC USE AND BENEFIT 2309
33 Sec. 8849.004. DISTRICT TERRITORY 2310

34 [Sections 8849.005-8849.050 reserved for expansion]

35 SUBCHAPTER B. BOARD OF DIRECTORS

36 Sec. 8849.051. COMPOSITION OF BOARD; TERMS 2315
37 Sec. 8849.052. APPOINTMENT OF DIRECTORS 2318
38 Sec. 8849.053. BOARD VACANCY 2318
39 Sec. 8849.054. EXPENSES 2319

40 [Sections 8849.055-8849.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8849.101. GROUNDWATER CONSERVATION DISTRICT

3 POWERS AND DUTIES 2323

4 Sec. 8849.102. AUTHORITY TO EXEMPT CERTAIN WELLS FROM

5 REGULATION 2323

6 Sec. 8849.103. GROUNDWATER WELLS UNDER JURISDICTION OF

7 RAILROAD COMMISSION 2324

8 Sec. 8849.104. MEMBERSHIP ON CENTRAL CARRIZO-WILCOX

9 COORDINATING COUNCIL 2326

10 Sec. 8849.105. MANAGEMENT PLAN 2326

11 Sec. 8849.106. REGIONAL COOPERATION 2326

12 [Sections 8849.107-8849.150 reserved for expansion]

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 8849.151. PUMPING FEES 2328

15 Sec. 8849.152. TAXES PROHIBITED 2329

16 CHAPTER 8849. LOST PINES GROUNDWATER CONSERVATION DISTRICT

17 SUBCHAPTER A. GENERAL PROVISIONS

18 Revised Law

19 Sec. 8849.001. DEFINITIONS. In this chapter:

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

21 (2) "Director" means a board member.

22 (3) "District" means the Lost Pines Groundwater

23 Conservation District. (Acts 76th Leg., R.S., Ch. 1331, Sec. 3;

24 Acts 77th Leg., R.S., Ch. 966, Sec. 3.0502(1); Acts 77th Leg., R.S.,

25 Ch. 1323, Sec. 2(1); New.)

26 Source Law

27 [Acts 76th Leg., R.S., Ch. 1331]

28 Sec. 3. In this Act, "district" means a

29 groundwater conservation district created under

30 Section 1 of this Act.

31 [Acts 77th Leg., R.S., Ch. 966]

32 Sec. 3.0502. In this part:

33 (1) "District" means the Lost Pines

34 Groundwater Conservation District.

35 [Acts 77th Leg., R.S., Ch. 1323]

36 Sec. 2. In this Act:

37 (1) "District" means the Lost Pines

38 Groundwater Conservation District.

1 Revisor's Note

2 (1) The Lost Pines Groundwater Conservation
3 District was created by Chapter 1331, Acts of the 76th
4 Legislature, Regular Session, 1999. That district is
5 one of 13 districts created by that act, with the
6 creation of each district subject to whether the
7 succeeding legislature enacted a law to ratify its
8 creation. See Sections 1 and 15, Chapter 1331. The
9 77th Legislature enacted two laws that ratified the
10 creation of the Lost Pines Groundwater Conservation
11 District. Chapter 966, Acts of the 77th Legislature,
12 Regular Session, 2001, ratified the creation of many
13 of the districts created by Chapter 1331, including
14 the Lost Pines Groundwater Conservation District, and
15 set forth nonamendatory substantive provisions
16 governing those districts. See Part 5, Article 3,
17 Chapter 966, regarding the Lost Pines Groundwater
18 Conservation District and see the remainder of Article
19 3, Chapter 966, regarding the other districts.
20 Chapter 1323, Acts of the 77th Legislature, Regular
21 Session, 2001, also ratified the creation of the Lost
22 Pines Groundwater Conservation District and set forth
23 nonamendatory substantive provisions governing that
24 district. All three legislative enactments are source
25 law for this chapter. Although Section 3, Chapter
26 1331, defines "district" to mean all of the districts
27 created under Section 1 of that act, the revised law
28 defines the term to mean the Lost Pines Groundwater
29 Conservation District because this chapter applies
30 only to that district. Similar changes are made
31 throughout this chapter.

32 (2) The definitions of "board" and "director"
33 are added to the revised law for drafting convenience
34 and to eliminate frequent, unnecessary repetition of

1 the substance of the definitions.

2 Revised Law

3 Sec. 8849.002. NATURE OF DISTRICT. The district is a
4 groundwater conservation district created under and essential to
5 accomplish the purposes of Section 59, Article XVI, Texas
6 Constitution. (Acts 76th Leg., R.S., Ch. 1331, Secs. 1(a) (part),
7 (c).)

8 Source Law

9 Sec. 1. (a) The following groundwater
10 conservation districts are created:

11 . . .
12 (6) Lost Pines Groundwater Conservation
13 District;
14 . . .

15 (c) Each district created under this section is
16 created under and is essential to accomplish the
17 purposes of Section 59, Article XVI, Texas
18 Constitution.

19 Revisor's Note

20 Section 1(b), Chapter 1331, Acts of the 76th
21 Legislature, Regular Session, 1999, provides that a
22 district created under Section 1 of that act is a
23 governmental agency and a body politic and corporate.
24 This chapter does not include a revision of that
25 provision because it duplicates a portion of Section
26 59(b), Article XVI, Texas Constitution, which provides
27 that a conservation and reclamation district is a
28 governmental agency and a body politic and corporate.
29 Section 1(b) reads:

30 (b) A district created under this
31 section is a governmental agency and a body
32 politic and corporate.

33 Revised Law

34 Sec. 8849.003. FINDINGS OF PUBLIC USE AND BENEFIT. (a) The
35 district is created to serve a public use and benefit.

36 (b) All land and other property included in the district
37 will benefit from the works and projects accomplished by the
38 district under the powers conferred by Section 59, Article XVI,
39 Texas Constitution. (Acts 76th Leg., R.S., Ch. 1331, Sec. 4.)

1 groundwater conservation districts, and to the general
2 authority of the legislature to enact other laws to
3 change the district's territory.

4 (2) Section 2(a)(5), Chapter 1331, Acts of the
5 76th Legislature, Regular Session, 1999, provides that
6 the boundaries of the district are coextensive with
7 the boundaries of Bastrop and Lee Counties unless one
8 of the counties does not confirm the district's
9 creation. The revised law omits the provision
10 relating to the consequences of the failure of one of
11 the counties to confirm the district's creation
12 because in November 2002 the creation of the district
13 was confirmed by the voters of both Bastrop and Lee
14 Counties. The omitted law reads:

15 (5) . . . but if the voters of
16 only one county confirm the creation of the
17 district under Section 10 of this Act, the
18 boundaries of the district are coextensive
19 with the boundaries of that county;
20 . . .

21 Revisor's Note
22 (End of Subchapter)

23 (1) Section 10, Chapter 1331, Acts of the 76th
24 Legislature, Regular Session, 1999, provides
25 procedures for holding an election to confirm the
26 districts created under that act and to elect the
27 initial board of those districts. Section 3.0507,
28 Chapter 966, and Section 8, Chapter 1323, Acts of the
29 77th Legislature, Regular Session, 2001, provide
30 procedures for holding an election to confirm the Lost
31 Pines Groundwater Conservation District. This chapter
32 does not include a revision of those provisions
33 because the district has been confirmed. Sections 10,
34 3.0507, and 8 read:

35 [Acts 76th Leg., R.S., Ch. 1331]
36 Sec. 10. (a) Not earlier than
37 September 1, 2001, the temporary board of
38 directors shall call and hold an election to
39 confirm the district and to elect the
40 initial directors.

1 (b) At the confirmation and initial
2 directors' election, the temporary board of
3 directors shall have placed on the ballot
4 the names of the candidates for each of the
5 positions on the board. To qualify as a
6 candidate for a position, a person must be a
7 resident of the district.

8 (c) If the district is confirmed at
9 the election, the temporary board of
10 directors, at the time the vote is
11 canvassed, shall:

12 (1) declare the qualified
13 person who receives the most votes for each
14 position to be elected as the initial
15 director for that position; and

16 (2) include the results of the
17 initial directors' election in the
18 district's election report to the Texas
19 Natural Resource Conservation Commission.

20 (d) The initial directors shall draw
21 lots to determine their terms so that:

22 (1) one-half or a simple
23 majority of the directors serve four-year
24 terms that expire on the fourth anniversary
25 of the date the initial directors were
26 elected; and

27 (2) the remaining directors
28 serve two-year terms that expire on the
29 second anniversary of the date the initial
30 directors were elected.

31 (e) Subsection (a), Section 41.001,
32 Election Code, applies to a confirmation
33 and initial directors' election held as
34 provided by this section.

35 (f) Except as provided by this
36 section, a confirmation and initial
37 directors' election must be conducted as
38 provided by Subsections (b)-(h), Section
39 36.017, Water Code, and the Election Code.

40 (g) If the establishment of the
41 district has not been confirmed at an
42 election held under this section before the
43 fourth anniversary of the effective date of
44 this Act, the district is dissolved on that
45 date, except that any debts incurred shall
46 be paid and the organization of the district
47 shall be maintained until all debts are
48 paid.

49 [Acts 77th Leg., R.S., Ch. 966]

50 Sec. 3.0507. (a) As soon as
51 practicable after September 1, 2001, the
52 temporary directors shall meet to set the
53 date for and call the confirmation
54 election. The directors shall hold the
55 meeting in conjunction with the regularly
56 scheduled meeting of the directors.

57 (b) The election shall be held on the
58 authorized election date in November if the
59 United States Department of Justice has
60 precleared this part by that time. If this
61 part has not been precleared by the November
62 election date, the confirmation election
63 shall be held at the next authorized
64 election date. The district shall contract
65 with the county clerks of Bastrop and Lee
66 counties to conduct the election.

67 (c) Except as provided by this
68 section, the confirmation election must be

1 conducted as provided by Sections 36.017
2 and 36.018, Water Code, and the Election
3 Code.

4 (d) If a majority of the votes cast at
5 an election held under this section is
6 against the confirmation of the district,
7 the temporary directors may not call
8 another election under this section before
9 the first anniversary of that election.

10 [Acts 77th Leg., R.S., Ch. 1323]

11 Sec. 8. (a) As soon as practicable
12 after the effective date of this Act, the
13 temporary board of directors shall meet to
14 set the date for and call the confirmation
15 election. The directors shall hold the
16 meeting in conjunction with the regularly
17 scheduled meeting of the directors.

18 (b) The election shall be held on the
19 authorized election date in November if the
20 U.S. Department of Justice has precleared
21 this Act by that time. If this Act has not
22 been precleared by the November election
23 date, the confirmation election shall be
24 held at the next authorized election date.
25 The district shall contract with the county
26 clerks of Bastrop and Lee counties to
27 conduct the election.

28 (c) Except as provided by this
29 section, the confirmation election must be
30 conducted as provided by Sections 36.017,
31 36.018, and 36.019, Water Code, and the
32 Election Code.

33 (d) If the majority of qualified
34 voters in a county who vote in the election
35 vote to confirm the creation of the
36 district, that county is included in the
37 district. If the majority of qualified
38 voters in a county who vote in the election
39 vote not to confirm the creation of the
40 district, that county is excluded from the
41 district.

42 (e) The district is dissolved and
43 this Act expires on August 31, 2003, unless
44 the voters confirm the creation of the
45 district before that date.

46 (2) Section 14, Chapter 1331, Acts of the 76th
47 Legislature, Regular Session, 1999, provides that,
48 except as otherwise provided by that act, that act
49 prevails over a conflicting provision of Chapter 36,
50 Water Code. Section 3.0504(a), Chapter 966, Acts of
51 the 77th Legislature, Regular Session, 2001, provides
52 that the part of that act relating to the district
53 prevails over general law, including Chapter 36, Water
54 Code, in case of a conflict or inconsistency.
55 Similarly, Sections 4(a) and 9, Chapter 1323, Acts of
56 the 77th Legislature, Regular Session, 2001, provide

1 that the act prevails over general law, including
2 Chapter 36, Water Code, in case of a conflict or
3 inconsistency. This chapter does not include a
4 revision of those provisions because they duplicate,
5 in substance, Section 311.026, Government Code (Code
6 Construction Act), and they duplicate part of Section
7 36.052(a), Water Code, which provides that a "special
8 law governing a specific district" prevails over
9 Chapter 36. Throughout this chapter, the revised law
10 omits law that duplicates law contained in Chapter 36,
11 Water Code, which applies to the district under
12 Section 8849.101 of this chapter and Section
13 36.001(1), Water Code. Sections 14, 3.0504(a), 4(a),
14 and 9 read:

15 [Acts 76th Leg., R.S., Ch. 1331]
16 Sec. 14. Except as otherwise
17 provided by this Act, if there is a conflict
18 between this Act and Chapter 36, Water Code,
19 this Act controls.

20 [Acts 77th Leg., R.S., Ch. 966]
21 Sec. 3.0504. (a) . . . This part
22 prevails over any provision of general law,
23 including Chapter 36, Water Code, or
24 Chapter 1331, Acts of the 76th Legislature,
25 Regular Session, 1999, that is in conflict
26 or inconsistent with this part.

27 [Acts 77th Leg., R.S., Ch. 1323]
28 Sec. 4. (a) . . . This Act prevails
29 over any provision of general law that is in
30 conflict or inconsistent with this Act,
31 including any provision of Chapter 1331,
32 Acts of the 76th Legislature, Regular
33 Session, 1999 (Senate Bill No. 1911).

34 Sec. 9. Except as otherwise provided
35 by this Act, if there is a conflict between
36 this Act and Chapter 36, Water Code, this
37 Act controls.

38 (3) Section 4(b), Chapter 1323, Acts of the 77th
39 Legislature, Regular Session, 2001, provides that
40 certain provisions of the Water Code prevail over a
41 conflicting or inconsistent provision of the act. The
42 revised law omits Section 4(b) because it
43 substantially duplicates Section 36.052(b), Water
44 Code, which provides that the provisions of the Water

1 Code referenced in Section 4(b), in addition to
2 Sections 36.107 and 36.108, Water Code, prevail over a
3 conflicting or inconsistent provision of a special law
4 that governs a specific district. Although Section
5 4(b) does not reference Sections 36.107 and 36.108,
6 Water Code, those sections of Chapter 36 are not in
7 conflict or inconsistent with any provision of this
8 chapter. The omitted law reads:

9 (b) Notwithstanding Subsection (a),
10 the following provisions prevail over a
11 conflicting or inconsistent provision of
12 this Act:

- 13 (1) Sections 36.1071-36.1073,
14 Water Code;
15 (2) Sections 36.159-36.161,
16 Water Code; and
17 (3) Subchapter I, Chapter 36,
18 Water Code.

19 (4) Section 3.0510, Chapter 966, Acts of the
20 77th Legislature, Regular Session, 2001, provides that
21 if another bill relating to the district is enacted by
22 the 77th Legislature, Regular Session, 2001, and
23 becomes law, the provisions of the other act prevail
24 over the part of Chapter 966 relating to the district
25 in case of a conflict. In that same legislative
26 session, the legislature enacted Chapter 1323. The
27 revised law omits Section 3.0510 of Chapter 966 as
28 unnecessary because any provisions of Chapter 966 that
29 conflict with Chapter 1323 are omitted from the
30 revised law. See Revisor's Note (2) to Section
31 8849.051. The omitted law reads:

32 Sec. 3.0510. If another bill
33 relating to the Lost Pines Groundwater
34 Conservation District is enacted by the
35 77th Legislature, Regular Session, 2001,
36 and becomes law, then, to the extent of any
37 conflict between that Act and this part, the
38 provisions of that Act shall prevail.

39 [Sections 8849.005-8849.050 reserved for expansion]

40 SUBCHAPTER B. BOARD OF DIRECTORS

41 Revised Law

42 Sec. 8849.051. COMPOSITION OF BOARD; TERMS. (a) The

1 district is governed by a board of 10 directors.

2 (b) Directors serve staggered four-year terms. (Acts 77th
3 Leg., R.S., Ch. 966, Secs. 3.0506(a), (f); Acts 77th Leg., R.S., Ch.
4 1323, Secs. 7(a), (f).)

5 Source Law

6 [Acts 77th Leg., R.S., Ch. 966]
7 Sec. 3.0506. (a) The district is governed by a
8 board of 10 directors.

9 (f) Except as provided by Subsection (d) of this
10 section, directors serve staggered four-year terms.

11 [Acts 77th Leg., R.S., Ch. 1323]
12 Sec. 7. (a) The district is governed by a board
13 of 10 directors.

14 (f) Except as provided by Subsection (d),
15 directors serve staggered four-year terms.

16 Revisor's Note

17 (1) Section 3.0506(f), Chapter 966, and Section
18 7(f), Chapter 1323, Acts of the 77th Legislature,
19 Regular Session, 2001, provide that directors serve
20 four-year terms, "[e]xcept as provided by Subsection
21 (d)." The revised law omits the quoted language
22 because the revised law omits Sections 3.0506(d) and
23 7(d) as executed. See Revisor's Note (5) to the end of
24 this subchapter.

25 (2) Section 3.0506(g), Chapter 966, Acts of the
26 77th Legislature, Regular Session, 2001, provides that
27 directors may serve consecutive terms. The revised
28 law omits that provision because it was impliedly
29 repealed by former Section 7(g), Chapter 1323, Acts of
30 the 77th Legislature, Regular Session, 2001, which
31 limited directors to serving two consecutive terms
32 after the confirmation election. Section 3.0510,
33 Chapter 966, provides that if another bill relating to
34 the district is enacted by the 77th Legislature,
35 Regular Session, 2001, and becomes law, the provisions
36 of the other act prevail over the part of Chapter 966
37 relating to the district in case of a conflict. Under

1 Section 312.014, Government Code, a later enacted
2 statute controls over a previously enacted conflicting
3 statute, and the date of enactment is the date on which
4 the last legislative vote is taken. The last
5 legislative vote for Chapter 966 occurred May 27,
6 2001, and the last legislative vote for Chapter 1323
7 occurred May 25, 2001. Because Chapter 966 was enacted
8 after Chapter 1323 and Section 3.0510, Chapter 966,
9 provides that other bills relating to the district
10 that are enacted in the same session prevail over the
11 part of Chapter 966 relating to the district in case of
12 a conflict, former Section 7(g), Chapter 1323,
13 prevailed over Section 3.0506(g), Chapter 966, even
14 though Chapter 1323 was enacted before Chapter 966.
15 The revised law does not codify Section 7(g), Chapter
16 1323, because that section was repealed by Chapter
17 195, Acts of the 80th Legislature, Regular Session,
18 2007. The omitted law reads:

19 (g) Directors may serve consecutive
20 terms.

21 (3) Section 3.0506(h), Chapter 966, and Section
22 7(h), Chapter 1323, Acts of the 77th Legislature,
23 Regular Session, 2001, provide that a director must
24 qualify to serve in the manner provided by Section
25 36.055, Water Code. The revised law omits those
26 provisions because Section 36.055, Water Code, applies
27 to the district under Section 8849.101 of this chapter
28 and Section 36.001(1), Water Code. The omitted law
29 reads:

30 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]
31 (h) Each director must qualify to
32 serve as director in the manner provided by
33 Section 36.055, Water Code.

34 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]
35 (h) Each director must qualify to
36 serve as director in the manner provided by
37 Section 36.055, Water Code.

38 (4) Section 3.0506(i), Chapter 966, and Section

1 7(i), Chapter 1323, Acts of the 77th Legislature,
2 Regular Session, 2001, provide that a director serves
3 until a successor has qualified. The revised law omits
4 those provisions because they duplicate Section 17,
5 Article XVI, Texas Constitution, which provides that
6 an officer in this state continues to perform the
7 officer's official duties until a successor has
8 qualified. The omitted law reads:

9 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]

10 (i) A director serves until the
11 director's successor has qualified.

12 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]

13 (i) A director serves until the
14 director's successor has qualified.

15 Revised Law

16 Sec. 8849.052. APPOINTMENT OF DIRECTORS. (a) Five
17 directors are appointed from Bastrop County by the county judge of
18 Bastrop County and five directors are appointed from Lee County by
19 the county judge of Lee County.

20 (b) Every two years after the initial appointment of
21 directors, the appropriate number of directors shall be appointed.

22 (Acts 77th Leg., R.S., Ch. 966, Secs. 3.0506(b), (e); Acts 77th
23 Leg., R.S., Ch. 1323, Secs. 7(b), (e).)

24 Source Law

25 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]

26 (b) Five directors shall be appointed from
27 Bastrop County by the county judge of Bastrop County
28 and five directors shall be appointed from Lee County
29 by the county judge of Lee County.

30 (e) In each subsequent second year following the
31 initial appointment of directors, the appropriate
32 number of directors shall be appointed.

33 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]

34 (b) Five directors shall be appointed from
35 Bastrop County by the county judge of Bastrop County
36 and five directors shall be appointed from Lee County
37 by the county judge of Lee County.

38 (e) In each subsequent second year following the
39 initial appointment of directors, the appropriate
40 number of directors shall be appointed.

41 Revised Law

42 Sec. 8849.053. BOARD VACANCY. If a vacancy occurs on the

1 board, the board may appoint a director to serve the remainder of
2 the term. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506(j); Acts 77th
3 Leg., R.S., Ch. 1323, Sec. 7(j).)

4 Source Law

5 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]

6 (j) If a vacancy occurs on the board of
7 directors, the board may appoint a director to serve
8 the remainder of the term.

9 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]

10 (j) If a vacancy occurs on the board, the board
11 may appoint a director to serve the remainder of the
12 term.

13 Revised Law

14 Sec. 8849.054. EXPENSES. A director is entitled to
15 reimbursement for actual reasonable expenses incurred in
16 performing duties as a director. (Acts 77th Leg., R.S., Ch. 966,
17 Sec. 3.0506(k) (part); Acts 77th Leg., R.S., Ch. 1323, Sec. 7(k)
18 (part).)

19 Source Law

20 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]

21 (k) A director . . . is entitled to
22 reimbursement for reasonable actual expenses incurred
23 in performing duties as a director.

24 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]

25 (k) A director . . . is entitled to
26 reimbursement for actual reasonable expenses incurred
27 in performing duties as a director.

28 Revisor's Note

29 Section 3.0506(k), Chapter 966, and Section 7(k),
30 Chapter 1323, Acts of the 77th Legislature, Regular
31 Session, 2001, provide that a director may receive
32 fees of office as provided by Section 36.060, Water
33 Code. The revised law omits the provisions because
34 they duplicate, in substance, Section 36.060, Water
35 Code. The omitted law reads:

36 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]

37 (k) [A director] may receive fees of
38 office as provided by Section 36.060, Water
39 Code, and

40 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]

41 (k) [A director] may receive fees of
42 office as provided by Section 36.060, Water
43 Code, and

1 Revisor's Note
2 (End of Subchapter)

3 (1) Sections 5 and 12, Chapter 1331, Acts of the
4 76th Legislature, Regular Session, 1999, govern the
5 powers of the temporary directors of a district
6 created under that act. This chapter does not include
7 a revision of those provisions because they are
8 executed. Sections 5 and 12 read:

9 Sec. 5. (a) Except as provided by
10 Subsections (c) and (d) of this section or
11 otherwise by this Act, the temporary
12 directors of a district have the same
13 permitting and general management powers as
14 those granted to initial and permanent
15 directors under Chapter 36, Water Code.

16 (b) The temporary directors or their
17 designees have the authority to enter any
18 public or private property located within
19 the district to inspect a water well as
20 provided by Section 49.221, Water Code.

21 (c) The temporary directors do not
22 have the authority granted by the following
23 provisions of Chapter 36, Water Code:

24 (1) Sections 36.017, 36.019,
25 36.020, and 36.059, relating to elections;

26 (2) Sections 36.105, 36.1071,
27 36.1072, 36.1073, and 36.108, relating to
28 eminent domain and management plans;

29 (3) Sections 36.171-36.181,
30 relating to bonds and notes;

31 (4) Sections 36.201-36.204,
32 relating to taxes; and

33 (5) Sections 36.321-36.359,
34 relating to annexation and consolidation.

35 (d) The temporary directors may
36 regulate the transfer of groundwater out of
37 the district as provided by Section 36.122,
38 Water Code, but may not prohibit the
39 transfer of groundwater out of the
40 district.

41 Sec. 12. Prior to September 1, 2001,
42 the temporary directors of a district shall
43 not hold an election for the imposition of a
44 tax.

45 (2) Section 7, Chapter 1331, Acts of the 76th
46 Legislature, Regular Session, 1999, relates to the
47 election of initial directors of a district created
48 under that act. This chapter does not include a
49 revision of that provision because it is executed.
50 Section 7 reads:

51 Sec. 7. The initial directors may not
52 be elected until after September 1, 2001.

1 (3) Sections 8 and 9, Chapter 1331, Acts of the
2 76th Legislature, Regular Session, 1999, provide for
3 the appointment of temporary directors of a district
4 created under that act and require the temporary
5 directors to hold an organizational meeting of the
6 district. This chapter does not include a revision of
7 those provisions because they are executed. Sections
8 8 and 9 read:

9 Sec. 8. (a) Except as provided by
10 Subsections (b) and (c) of this section, the
11 commissioners court of a county containing
12 territory included within the district
13 shall appoint temporary directors in
14 accordance with the provisions of Section
15 36.016, Water Code, relating to the
16 appointment of temporary directors by
17 county commissioners courts.

18 (b) For districts composed of more
19 than one county, the county commissioners
20 court of each county with territory in the
21 district shall appoint an equal number of
22 temporary directors, the total number of
23 temporary directors appointed to be
24 determined by the county commissioners
25 courts except that the total number of
26 directors may not be fewer than five or more
27 than 11.

28 (c) The 90-day limit for the
29 appointment of temporary directors under
30 Section 36.016, Water Code, does not apply
31 to the appointment of temporary directors
32 under this Act.

33 Sec. 9. (a) As soon as practicable
34 after the temporary directors are appointed
35 as provided by this Act, the temporary
36 directors shall hold the organizational
37 meeting of the district and take office at
38 that time.

39 (b) The temporary directors shall
40 hold the meeting at a location within the
41 district to which a majority of the
42 temporary directors agree.

43 (4) Section 11, Chapter 1331, Acts of the 76th
44 Legislature, Regular Session, 1999, provides for the
45 election of permanent directors of a district created
46 under that act. This chapter does not include a
47 revision of that section because, as that section
48 relates to the Lost Pines Groundwater Conservation
49 District, it is superseded by Sections 3.0506(b) and
50 (e), Chapter 966, and Sections 7(b) and (e), Chapter
51 1323, Acts of the 77th Legislature, Regular Session,

1 2001, which provide for the appointment of the
2 district's directors. See Section 8849.052 of this
3 chapter. Section 3.0504(a), Chapter 966, and Section
4 4(a), Chapter 1323, provide that the part of the act
5 relating to the district or the act, respectively,
6 prevails over Chapter 1331 in case of a conflict or
7 inconsistency. The omitted law reads:

8 Sec. 11. Beginning in the second year
9 after the year in which the district has
10 held a confirmation election, an election
11 shall be held in the district on the first
12 Saturday in the month in which the initial
13 directors were elected under Section 10 of
14 this Act and every two years after that date
15 to elect the appropriate number of
16 directors to the board.

17 (5) Sections 3.0506(c) and (d), Chapter 966, and
18 Sections 7(c) and (d), Chapter 1323, Acts of the 77th
19 Legislature, Regular Session, 2001, provide for the
20 terms of office of temporary directors of the
21 district. The revised law omits those provisions
22 because the terms of the temporary directors have
23 expired. The omitted law reads:

24 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0506]
25 (c) Temporary directors serve until
26 their successors are appointed and have
27 qualified.
28 (d) The temporary directors shall
29 draw lots to determine:
30 (1) which three directors from
31 each county will serve four-year terms that
32 expire December 31, 2005; and
33 (2) which two directors from
34 each county will serve two-year terms that
35 expire December 31, 2003.

36 [Acts 77th Leg., R.S., Ch. 1323, Sec. 7]
37 (c) The temporary directors serve
38 until their successors are appointed and
39 have qualified.
40 (d) The temporary directors shall
41 draw lots to determine:
42 (1) which three directors from
43 each county will serve four-year terms that
44 expire at the end of the calendar year of
45 the fourth year after the year in which this
46 Act takes effect; and
47 (2) which two directors from
48 each county will serve two-year terms that
49 expire at the end of the calendar year of
50 the second year after the year in which this
51 Act takes effect.

1 [Sections 8849.055-8849.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Revised Law

4 Sec. 8849.101. GROUNDWATER CONSERVATION DISTRICT POWERS
5 AND DUTIES. The district has the rights, powers, privileges,
6 functions, and duties provided by the general law of this state,
7 including Chapter 36, Water Code, applicable to groundwater
8 conservation districts created under Section 59, Article XVI, Texas
9 Constitution. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0504(a)
10 (part); Acts 77th Leg., R.S., Ch. 1323, Sec. 4(a) (part).)

11 Source Law

12 [Acts 77th Leg., R.S., Ch. 966]

13 Sec. 3.0504. (a) The district has all of the
14 rights, powers, privileges, authority, functions, and
15 duties provided by the general law of the state,
16 including Chapter 36, Water Code, applicable to
17 groundwater conservation districts created under
18 Section 59, Article XVI, Texas Constitution. . . .

19 [Acts 77th Leg., R.S., Ch. 1323]

20 Sec. 4. (a) The district has all of the rights,
21 powers, privileges, authority, functions, and duties
22 provided by the general law of this state, including
23 Chapter 36, Water Code, applicable to groundwater
24 conservation districts created under Section 59,
25 Article XVI, Texas Constitution. . . .

26 Revisor's Note

27 Section 3.0504(a), Chapter 966, and Section 4(a),
28 Chapter 1323, Acts of the 77th Legislature, Regular
29 Session, 2001, refer to the "rights, powers,
30 privileges, [and] authority" of the district. The
31 revised law omits the reference to "authority"
32 because, in context, "authority" is included in the
33 meaning of "rights, powers, [and] privileges."

34 Revised Law

35 Sec. 8849.102. AUTHORITY TO EXEMPT CERTAIN WELLS FROM
36 REGULATION. The district may adopt a rule exempting a well that is
37 not capable of producing more than 50,000 gallons of groundwater a
38 day from a permit requirement, a fee, or a restriction on
39 production. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0504(c); Acts
40 77th Leg., R.S., Ch. 1323, Sec. 4(e).)

1 is used for municipal purposes or by a public utility. A fee
2 imposed by the district under this subsection may not exceed the fee
3 imposed on other groundwater producers in the district. (Acts 77th
4 Leg., R.S., Ch. 966, Secs. 3.0502(2), 3.0505; Acts 77th Leg., R.S.,
5 Ch. 1323, Secs. 2(2), 5; New.)

6 Source Law

7 [Acts 77th Leg., R.S., Ch. 966]
8 Sec. 3.0502. In this part:

9 (2) "Public utility" means any person,
10 corporation, public utility, water supply or sewer
11 service corporation, municipality, political
12 subdivision, or agency operating, maintaining, or
13 controlling facilities in the state for providing
14 potable water service for compensation.

15 Sec. 3.0505. (a) Groundwater wells drilled or
16 operated within the district under permits issued by
17 the Railroad Commission of Texas are under the
18 exclusive jurisdiction of the railroad commission and
19 are exempt from regulation by the district.

20 (b) Groundwater produced in an amount
21 authorized by a railroad commission permit may be used
22 within or exported from the district without obtaining
23 a permit from the district.

24 (c) To the extent groundwater production
25 exceeds railroad commission authorization, the holder
26 of the railroad commission permit must apply to the
27 district for appropriate permits for the excess
28 production and is subject to the applicable regulatory
29 fees.

30 (d) Groundwater produced from wells under the
31 jurisdiction of the railroad commission is generally
32 exempt from water district fees. However, the
33 district may impose either a pumping fee or an export
34 fee on groundwater produced from an otherwise exempt
35 mine well that is used for municipal purposes or by a
36 public utility. Any fee imposed by the district under
37 this subsection may not exceed the fee imposed on other
38 groundwater producers in the district.

39 [Acts 77th Leg., R.S., Ch. 1323]
40 Sec. 2. In this Act:

41 (2) "Public utility" means any person,
42 corporation, public utility, water supply or sewer
43 service corporation, municipality, political
44 subdivision, or agency operating, maintaining, or
45 controlling facilities in this state for providing
46 potable water service for compensation.

47 Sec. 5. (a) Groundwater wells drilled or
48 operated within the district under permits issued by
49 the Railroad Commission of Texas are under the
50 exclusive jurisdiction of the commission and are
51 exempt from regulation by the district.

52 (b) Groundwater produced in an amount
53 authorized by a commission permit may be used within or
54 exported from the district without the necessity of
55 obtaining a permit from the district.

56 (c) To the extent groundwater is produced in
57 excess of railroad commission authorization, the

1 holder of the commission permit shall apply to the
2 district for appropriate permits for the excess
3 production and be subject to the applicable regulatory
4 fees.

5 (d) Groundwater produced from wells under the
6 jurisdiction of the railroad commission is generally
7 exempt from water district fees. However, the
8 district may impose either a pumping fee or an export
9 fee on groundwater produced from an otherwise exempt
10 mine well which is used for municipal purposes or by a
11 public utility. Any fee imposed by the district under
12 this subsection may not exceed the fee imposed on other
13 groundwater producers in the district.

14 Revisor's Note

15 The definition of "railroad commission" is added
16 to the revised law for drafting convenience and to
17 eliminate frequent, unnecessary repetition of the
18 substance of the definition.

19 Revised Law

20 Sec. 8849.104. MEMBERSHIP ON CENTRAL CARRIZO-WILCOX
21 COORDINATING COUNCIL. The district is a member of the Central
22 Carrizo-Wilcox Coordinating Council. (Acts 77th Leg., R.S., Ch.
23 1323, Sec. 10.)

24 Source Law

25 Sec. 10. The district is a member of the Central
26 Carrizo-Wilcox Coordinating Council.

27 Revised Law

28 Sec. 8849.105. MANAGEMENT PLAN. The district shall develop
29 or contract to develop a district management plan under Section
30 36.1071, Water Code, and submit the plan to the Central
31 Carrizo-Wilcox Coordinating Council to be included in the
32 management plan developed by the council. (Acts 77th Leg., R.S.,
33 Ch. 1323, Sec. 11.)

34 Source Law

35 Sec. 11. The district shall develop or contract
36 to develop its own management plan under Section
37 36.1071, Water Code, and submit it to the Central
38 Carrizo-Wilcox Coordinating Council to be included in
39 the management plan developed by the Central
40 Carrizo-Wilcox Coordinating Council.

41 Revised Law

42 Sec. 8849.106. REGIONAL COOPERATION. The district shall:

43 (1) adopt a management plan detailing proposed efforts
44 of the district to cooperate with other groundwater conservation

1 districts;

2 (2) participate as needed in coordination meetings
3 with adjacent groundwater conservation districts that share one or
4 more aquifers with the district;

5 (3) coordinate the collection of data with adjacent
6 groundwater conservation districts in such a way as to achieve
7 relative uniformity of data type and quality;

8 (4) provide groundwater level information to adjacent
9 groundwater conservation districts;

10 (5) investigate any groundwater pollution to identify
11 the pollution's source;

12 (6) notify adjacent groundwater conservation
13 districts and all appropriate agencies of any groundwater pollution
14 detected and the source of the pollution identified;

15 (7) provide to adjacent groundwater conservation
16 districts annually an inventory of water wells in the district and
17 an estimate of groundwater production in the district; and

18 (8) include adjacent groundwater conservation
19 districts on mailing lists for district newsletters and information
20 regarding seminars, public education events, news articles, and
21 field days. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0508.)

22 Source Law

23 Sec. 3.0508. The district shall:

24 (1) adopt a management plan detailing
25 proposed efforts of the district to cooperate with
26 other groundwater conservation districts;

27 (2) participate as needed in coordination
28 meetings with adjacent groundwater conservation
29 districts that share one or more aquifers with the
30 district;

31 (3) coordinate the collection of data with
32 adjacent groundwater conservation districts in such a
33 way as to achieve relative uniformity of data type and
34 quality;

35 (4) provide groundwater level information
36 to adjacent groundwater conservation districts;

37 (5) investigate any groundwater pollution
38 to identify the pollution's source;

39 (6) notify adjacent groundwater
40 conservation districts and all appropriate agencies of
41 any groundwater pollution detected and the source of
42 pollution identified;

43 (7) provide to adjacent groundwater
44 conservation districts annually an inventory of water
45 wells in the district and an estimate of groundwater
46 production within the district; and

1 (8) include adjacent groundwater
2 conservation districts on mailing lists for district
3 newsletters and information regarding seminars,
4 public education events, news articles, and field
5 days.

6 Revisor's Note
7 (End of Subchapter)

8 (1) Section 6, Chapter 1331, Acts of the 76th
9 Legislature, Regular Session, 1999, prohibits a
10 district created under that act from adopting a
11 comprehensive management plan before September 1,
12 2001. This chapter does not include a revision of that
13 provision because it is executed. Section 6 reads:

14 Sec. 6. To ensure consistency of
15 district long-term management plans with
16 the regional planning process authorized by
17 Senate Bill No. 1 (Chapter 1010), Acts of
18 the 75th Legislature, Regular Session,
19 1997, a district may not adopt the
20 comprehensive management plan required by
21 Section 36.1071, Water Code, before
22 September 1, 2001.

23 (2) Section 6, Chapter 1323, Acts of the 77th
24 Legislature, Regular Session, 2001, prohibits the
25 district from requiring a permit for the drilling of
26 certain water wells. The revised law omits that
27 provision because it duplicates, in substance, Section
28 36.117(b)(2), Water Code. The omitted law reads:

29 Sec. 6. The district may not require
30 a permit for the drilling of a water well
31 used solely to supply water for a rig that
32 is actively engaged in drilling or
33 exploration operations for an oil or gas
34 well permitted by the Railroad Commission
35 of Texas, provided that the person holding
36 the permit is responsible for drilling and
37 operating the water well and the well is
38 located on the same lease or field
39 associated with the drilling rig.

40 [Sections 8849.107-8849.150 reserved for expansion]

41 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

42 Revised Law

43 Sec. 8849.151. PUMPING FEES. (a) The district may assess
44 regulatory pumping fees for water produced in or exported from the
45 district.

46 (b) The regulatory pumping fees the district assesses for

1 water for crop or livestock production or other agricultural uses
2 may not exceed 20 percent of the rate applied to water for municipal
3 uses.

4 (c) Regulatory pumping fees based on the amount of water
5 withdrawn from a well may not exceed:

6 (1) \$1 for each acre-foot for water used to irrigate
7 agricultural crops; or

8 (2) 17 cents for each thousand gallons for water used
9 for any other purpose.

10 (d) Combined regulatory pumping fees for production and
11 export of water may not exceed 17 cents for each thousand gallons
12 for water used. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0504(b)
13 (part); Acts 77th Leg., R.S., Ch. 1323, Secs. 4(c) (part), (d).)

14 Source Law

15 [Acts 77th Leg., R.S., Ch. 966, Sec. 3.0504]

16 (b) . . . The district may assess regulatory
17 pumping fees for water produced in or exported from the
18 district. The regulatory pumping fees the district
19 assesses for water for crop or livestock production or
20 other agricultural uses may not exceed 20 percent of
21 the rate applied to water for municipal uses.
22 Regulatory pumping fees based on the amount of water
23 withdrawn from a well may not exceed:

24 (1) \$1 per acre-foot for water used for the
25 purpose of irrigating agricultural crops; or

26 (2) 17 cents per thousand gallons for
27 water used for any other purpose.

28 [Acts 77th Leg., R.S., Ch. 1323, Sec. 4]

29 (c) . . . The district may assess regulatory
30 pumping fees for water produced in or exported from the
31 district. The regulatory pumping fees the district
32 assesses for water for crop or livestock production or
33 other agricultural uses may be no more than 20 percent
34 of the rate applied to water for municipal uses.
35 Regulatory pumping fees based on the amount of water
36 withdrawn from a well may not exceed:

37 (1) one dollar per acre-foot for water
38 used for the purpose of irrigating agricultural crops;
39 or

40 (2) 17 cents per thousand gallons for
41 water used for any other purpose.

42 (d) Combined regulatory pumping fees for
43 production and export of water may not exceed 17 cents
44 per thousand gallons for water used.

45 Revised Law

46 Sec. 8849.152. TAXES PROHIBITED. The district may not
47 impose a tax. (Acts 77th Leg., R.S., Ch. 966, Sec. 3.0504(b)
48 (part); Acts 77th Leg., R.S., Ch. 1323, Sec. 4(c) (part).)

1 that provision as it relates to the Lost Pines
2 Groundwater Conservation District because it was
3 executed when the creation of the district was
4 ratified by Section 3.0501, Chapter 966, and Section
5 1, Chapter 1323, Acts of the 77th Legislature, Regular
6 Session, 2001, subject to approval at a confirmation
7 election. Section 15 reads:

8 Sec. 15. (a) Notwithstanding the
9 provisions of Section 10 of this Act, an
10 election for the confirmation of the
11 creation of a groundwater conservation
12 district under this Act and for the
13 selection of initial directors for such
14 district shall not be held unless action is
15 taken by the 77th Legislature in its Regular
16 Session to ratify the creation of the
17 district.

18 (b) Except as provided by Subsection
19 (c) of this section, a groundwater
20 conservation district created by this Act
21 whose creation is not ratified by the 77th
22 Legislature as provided by Subsection (a)
23 of this section is dissolved effective
24 September 1, 2001.

25 (c) If a groundwater conservation
26 district is dissolved under this section,
27 the district has no further authority,
28 except that any debts incurred shall be paid
29 and the organization of the district shall
30 be maintained until all debts are paid.

31 (3) Section 3.0501, Chapter 966, and Section 1,
32 Chapter 1323, Acts of the 77th Legislature, Regular
33 Session, 2001, ratified the creation of the district,
34 subject to approval at a confirmation election. The
35 revised law omits those provisions as executed. The
36 omitted law reads:

37 [Acts 77th Leg., R.S., Ch. 966]

38 Sec. 3.0501. The creation of the Lost
39 Pines Groundwater Conservation District in
40 Bastrop and Lee counties by Chapter 1331,
41 Acts of the 76th Legislature, Regular
42 Session, 1999, is ratified as required by
43 Section 15(a) of that chapter, subject to
44 approval at a confirmation election under
45 Section 3.0507 of this part.

46 [Acts 77th Leg., R.S., Ch. 1323]

47 Sec. 1. The creation by Chapter 1331,
48 Acts of the 76th Legislature, Regular
49 Session, 1999 (Senate Bill No. 1911), of the
50 Lost Pines Groundwater Conservation
51 District in Bastrop and Lee counties is
52 ratified as required by Section 15(a) of
53 that Act, subject to approval at a

1 confirmation election under Section 8 of
2 this Act.

3 (4) Section 3.0509, Chapter 966, and Section
4 13(b), Chapter 1323, Acts of the 77th Legislature,
5 Regular Session, 2001, contain transition language
6 regarding the expiration of the part of the act
7 relating to the district or of the act, respectively,
8 if the district is not confirmed at a confirmation
9 election before a certain date. The revised law omits
10 those provisions as executed because the district was
11 confirmed within the required period. The omitted law
12 reads:

13 [Acts 77th Leg., R.S., Ch. 966]
14 Sec. 3.0509. If the creation of this
15 district is not confirmed at a confirmation
16 election held under Section 3.0507 of this
17 part before September 1, 2005, this part
18 expires on that date.

19 [Acts 77th Leg., R.S., Ch. 1323, Sec. 13]
20 (b) If the creation of this district
21 is not confirmed at a confirmation election
22 held under Section 8 of this Act before
23 September 1, 2003, this Act expires on that
24 date.

25 (5) Section 13.05, Chapter 966, Acts of the 77th
26 Legislature, Regular Session, 2001, provides that the
27 act is severable. This chapter does not include a
28 revision of that provision because it duplicates
29 Section 311.032, Government Code (Code Construction
30 Act), which states that a provision of a statute is
31 severable from each other provision of the statute
32 that can be given effect. Section 13.05 reads:

33 Sec. 13.05. If any provision of this
34 Act or its application to any person or
35 circumstance is held invalid, the
36 invalidity does not affect other provisions
37 or applications of this Act that can be
38 given effect without the invalid provision
39 or application, and to this end the
40 provisions of this Act are declared to be
41 severable.

42 (6) Section 16, Chapter 1331, Acts of the 76th
43 Legislature, Regular Session, 1999, recites
44 legislative findings regarding procedural

1 requirements for legislation affecting the districts
2 created by that act under the constitution and other
3 laws and rules, including proper legal notice and the
4 filing of recommendations. Section 13.04, Chapter
5 966, and Section 12, Chapter 1323, Acts of the 77th
6 Legislature, Regular Session, 2001, recite similar
7 findings regarding requirements for legislation
8 affecting the districts ratified by that act and of the
9 Lost Pines Groundwater Conservation District,
10 respectively. This chapter does not include a
11 revision of those provisions because they are
12 executed. Sections 16, 13.04, and 12 read:

13 [Acts 76th Leg., R.S., Ch. 1331]

14 Sec. 16. (a) The proper and legal
15 notice of the intention to introduce this
16 Act, setting forth the general substance of
17 this Act, has been published as provided by
18 law, and the notice and a copy of this Act
19 have been furnished to all persons,
20 agencies, officials, or entities to which
21 they are required to be furnished by the
22 constitution and other laws of this state,
23 including the governor, who has submitted
24 the notice and Act to the Texas Natural
25 Resource Conservation Commission.

26 (b) The Texas Natural Resource
27 Conservation Commission has filed its
28 recommendations relating to this Act with
29 the governor, lieutenant governor, and
30 speaker of the house of representatives
31 within the required time.

32 (c) All requirements of the
33 constitution and laws of this state and the
34 rules and procedures of the legislature
35 with respect to the notice, introduction,
36 and passage of this Act are fulfilled and
37 accomplished.

38 (d) The procedural requirements of
39 this section relating to the provision of
40 notice have been met by the provision of
41 notice of the introduction of the proposed
42 Acts of the 76th Legislature relating to the
43 creation of the groundwater conservation
44 districts now created by this Act.

45 [Acts 77th Leg., R.S., Ch. 966]

46 Sec. 13.04. (a) The proper and legal
47 notice of the intention to introduce this
48 Act, setting forth the general substance of
49 this Act, has been published as provided by
50 law, and the notice and a copy of this Act
51 have been furnished to all persons,
52 agencies, officials, or entities to which
53 they are required to be furnished by the
54 constitution and other laws of this state,
55 including the governor, who has submitted

1 the notice and Act to the Texas Natural
2 Resource Conservation Commission.

3 (b) The Texas Natural Resource
4 Conservation Commission has filed its
5 recommendations relating to this Act with
6 the governor, lieutenant governor, and
7 speaker of the house of representatives
8 within the required time.

9 (c) All requirements of the
10 constitution and laws of the state and the
11 rules and procedures of the legislature
12 with respect to the notice, introduction,
13 and passage of this Act are fulfilled and
14 accomplished.

15 [Acts 77th Leg., R.S., Ch. 1323]

16 Sec. 12. (a) The proper and legal
17 notice of the intention to introduce this
18 Act, setting forth the general substance of
19 this Act, has been published as provided by
20 law, and the notice and a copy of this Act
21 have been furnished to all persons,
22 agencies, officials, or entities to which
23 they are required to be furnished by the
24 constitution and other laws of this state,
25 including the governor, who has submitted
26 the notice and Act to the Texas Natural
27 Resource Conservation Commission.

28 (b) The Texas Natural Resource
29 Conservation Commission has filed its
30 recommendations relating to this Act with
31 the governor, lieutenant governor, and
32 speaker of the house of representatives
33 within the required time.

34 (c) All requirements of the
35 constitution and laws of this state and the
36 rules and procedures of the legislature
37 with respect to the notice, introduction,
38 and passage of this Act are fulfilled and
39 accomplished.

1 APPENDIX A

2 SECTION 2.01. Section 1, Chapter 310, Acts of the 59th
3 Legislature, Regular Session, 1965, is amended to read as follows:

4 Sec. 1. The [~~Pursuant to authority granted by the~~
5 ~~provisions of Section 9 of Article IX of the Constitution of the~~
6 ~~State of Texas, Cuero Hospital District of]~~ DeWitt Medical District
7 [~~County, Texas, is hereby authorized to be created in DeWitt~~
8 ~~County, Texas, and as created]~~ shall have the following boundaries:

9 BEGINNING at the most southerly corner of DeWitt County,
10 Texas, on the north bank of the Fifteen Mile Colletto Creek;

11 THENCE, in a generally northwesterly direction up said north
12 bank of said creek and its meanders to another corner of DeWitt
13 County on the south line of the P. C. Ragsdale Survey, A-414;

14 THENCE, in an easterly direction in a straight line to the
15 west corner of the James Kelly Survey, A-285, same being the south
16 corner of the David Oaks Survey, A-374;

17 THENCE, in a northwesterly direction with the southwest line
18 of said Oaks Survey to its southwest corner, same also being an
19 interior corner of the John T. Tinsley League, A-455;

20 THENCE, in a northeasterly direction along the southeast line
21 of said Tinsley League to its intersection with the centerline of
22 the Twelve Mile Colletto Creek;

23 THENCE, in a generally northwesterly direction up the
24 centerline of said creek with its meanders to its intersection with
25 the northeast line of the G. H. Woods Survey, A-482;

26 THENCE, in a southeasterly direction along said northeast
27 line of said Woods Survey to its northeast corner, same being on the
28 south line of the W. H. Stubblefield Survey, A-425;

29 THENCE, continuing in a southeasterly direction along said
30 south line of said Stubblefield Survey to its southeast corner;

31 THENCE, in a northerly direction along the east line of said
32 Stubblefield Survey and continuing in the same direction along an
33 east boundary line of the James Foster Survey, A-176, to an interior
34 corner of said Foster Survey;

1 THENCE, in an easterly direction along a south line of said
2 Foster Survey, same being a north line of the Otto Von Roeder
3 Survey, to an east corner of said Foster Survey and an interior
4 corner of said Von Roeder Survey;

5 THENCE, in a northerly direction along an east line of said
6 Foster Survey to an interior corner of said Foster Survey;

7 THENCE, in an easterly direction along a south line of said
8 Foster Survey to an interior corner of the James Kelly Survey,
9 A-282;

10 THENCE, in a northerly direction along an east line of said
11 Foster Survey, same being a west line of said Kelly Survey, to the
12 most northerly west corner of said Kelly Survey on the south line of
13 the Campbell Taylor Survey, A-459;

14 THENCE, in a westerly direction along said south line of said
15 Taylor Survey to its southwest corner;

16 THENCE, in a northerly direction along the west line of said
17 Taylor Survey to the most northerly east corner of said Foster
18 Survey;

19 THENCE, in a northwesterly direction along the most northerly
20 north line of said Foster Survey to its most northerly corner;

21 THENCE, in a northerly direction along the east line of the
22 Indianola Railroad Company Survey Section No. 5, A-248, to its
23 northeast corner;

24 THENCE, in a westerly direction along the most northerly
25 north line of said Indianola Railroad Survey Section No. 5 to its
26 most northerly northwest corner on the east line of the James C.
27 Davis Survey, A-148;

28 THENCE, in a northerly direction along said east line of said
29 Davis Survey to its northeast corner;

30 THENCE, in a westerly direction along the north line of said
31 Davis Survey to the southeast corner of the Wiley W. Hunter Survey,
32 A-216;

33 THENCE, in a northerly direction along the east line of said
34 Hunter Survey to its northeast corner on the south line of the John

1 S. Stump Survey, A-430;
2 THENCE, in a westerly direction along said south line of said
3 Stump Survey to its southwest corner, same being the most southerly
4 east corner of the W. S. Lyell Survey, A-311;
5 THENCE, in a westerly direction along the most southerly
6 south line of said Lyell Survey to its most southerly southwest
7 corner;
8 THENCE, in a northerly direction along the most westerly west
9 line of said Lyell Survey to the most southerly east corner of the
10 W. W. Hunter Survey;
11 THENCE, in a westerly direction along the most southerly
12 south line of said W. W. Hunter Survey to its most westerly
13 southwest corner, same being on the southeast line of the William
14 Eastland Survey, A-174;
15 THENCE, in a northeasterly direction along said southeast
16 line of said Eastland Survey to its northeast corner;
17 THENCE, in a northwesterly direction along said northeast
18 line of said Eastland Survey and the northeast line of the N.
19 Whitehead Survey, A-489, to the north corner of said Whitehead
20 Survey;
21 THENCE, in a southwesterly direction along the northwest line
22 of said Whitehead Survey to the south corner of the J. D. Morris
23 Survey, same being a northeast corner of the John E. Ross Survey,
24 A-403;
25 THENCE, in a northwesterly direction along the southwest
26 lines of said Morris Survey, the Daniel E. Benton Survey, A-67, and
27 the William Robertson Survey, A-401, and the northeast lines of
28 said Ross Survey and the Isaac Baker Survey, A-89, to an
29 intersection with the DeWitt-Gonzales County Line;
30 THENCE, in a northeasterly direction along said
31 DeWitt-Gonzales County Line to its intersection with the east line
32 of the Daniel Davis Survey, A-12 and the west line of the Simeon
33 Bateman Survey, A-4;
34 THENCE, in a southeasterly direction along the east line of

1 the said Davis Survey to its intersection with the centerline of the
2 Guadalupe River;

3 THENCE, in a generally southerly direction downstream with
4 said centerline of said Guadalupe River and its meanders to its
5 intersection with the westerly projection of the northeast line of
6 the John McCoy League, A-30;

7 THENCE, in an easterly direction with said projection of said
8 northeast line of the McCoy League to the northwest corner of the
9 said McCoy League;

10 THENCE, in an easterly direction along the north line of said
11 McCoy League to its northeast corner, same being an interior corner
12 of the J. D. Clements League, A-10;

13 THENCE, southerly along the east line of the said McCoy
14 League and along a west line of the said Clements League to the
15 northwest corner of the Mrs. O. S. Brown 150 acres tract;

16 THENCE, in an easterly direction parallel to the south line
17 of the said Clements League and along the northerly line of the Mrs.
18 O. S. Brown, Walter Voegel and G. S. Baylor tracts to the east line
19 of the said Clements League and the west line of the James Swindle
20 Survey, A-416;

21 THENCE, southerly along said west line of the Swindle Survey
22 to its southwest corner;

23 THENCE, in an easterly direction along the south line of the
24 said Swindle Survey to the northeast corner of the W. W. McCormick
25 185 acres tract;

26 THENCE, southerly along the east line of the said McCormick
27 tract; to the southeast corner of said McCormick tract;

28 THENCE, westerly along the south line of the said McCormick
29 tract to the northeast corner of a 100 acres tract (C. G. Huatt 100
30 acres tract) formerly owned by Dick Frels;

31 THENCE, southerly along the east line of said 100 acres tract
32 to its southeast corner on the north line of the Joseph Edgar
33 Survey, A-168;

34 THENCE, westerly along said north line of the Edgar Survey to

1 the northeast corner of the J. B. Milligan 160 acres tract;
2 THENCE, in a southerly direction along the most easterly east
3 line of said Milligan tract to the most northerly southeast corner
4 of said tract;
5 THENCE, in a southwesterly direction along an east or
6 southeast line of said Milligan tract to the most southerly
7 southeast corner of said tract;
8 THENCE, in a westerly direction along the south line of said
9 Milligan tract to its southwest corner on the west line of said
10 Edgar Survey;
11 THENCE, southerly along said west line of the Edgar Survey to
12 its southwest corner on the east line of the K. W. Barton Survey,
13 A-3, and at the most northerly northwest corner of the Isham G.
14 Belcher Survey, A-68;
15 THENCE, easterly along the north line of said Belcher Survey
16 to its east or northeast corner in the south line of the S. R.
17 Roberts Survey, A-400;
18 THENCE, southerly along the east line of said Belcher Survey
19 to its southeast corner at a corner of the W. S. Townsend Survey,
20 A-453;
21 THENCE, westerly along the south line of said Belcher Survey
22 to the northeast corner of the Nicholas McNutt Survey, A-327;
23 THENCE, southerly along the east line of the said McNutt
24 Survey and along the west line of the Benjamin Payne Survey, A-378,
25 to the southwest corner of said Payne Survey at an interior corner
26 of the S. A. and M. G. Railroad Survey No. 11, A-449;
27 THENCE, easterly along the south line of said Payne Survey
28 and the north line of said S. A. and M. G. Railroad Survey to the
29 most easterly northeast corner of said S. A. and M. G. Railroad
30 Survey at an interior corner of the C. D. Mixon Survey, A-354;
31 THENCE, southerly or southwesterly along a west line of said
32 Mixon Survey and along an east line of the said S. A. and M. G.
33 Railroad Survey to the west corner of the said Mixon Survey and the
34 north corner of the William Norvall Survey, A-371;

1 THENCE, easterly or southeasterly along the north line of
2 said Norvall Survey, the south line of the said Mixon Survey, and
3 the south line of the S. A. Rogers Survey, A-412 to the south corner
4 of said Rogers Survey at an interior corner of the William S.
5 Townsend Survey, A-457;

6 THENCE, northerly or northeasterly along the southeast line
7 of said Rogers Survey to the north corner of said Townsend Survey;

8 THENCE, southeasterly along an east line of said Townsend
9 Survey to the south corner of the Abednego Biddy Survey, A-63;

10 THENCE, easterly or northeasterly along the south line of
11 said Biddy Survey to the west corner of the John Graham Survey,
12 A-193;

13 THENCE, southeasterly along the west line of said Graham
14 Survey to its south corner and an interior corner of said Townsend
15 Survey;

16 THENCE, easterly or northeasterly along the southeast line of
17 said Graham Survey to its east corner and the most easterly
18 northeast corner of said Townsend Survey;

19 THENCE, southeasterly along the most easterly east line of
20 said Townsend Survey to its most easterly corner and the south or
21 southwest corner of the J. G. Swisher Survey, A-421;

22 THENCE, southwesterly along a south line of said Townsend
23 Survey to the west corner of the Berry Doolittle Survey, A-154;

24 THENCE, southeasterly along the west line of said Doolittle
25 Survey to its southwest corner on the north line of the T. & N. O.
26 Railroad Survey No. 1, A-550;

27 THENCE, northeasterly along said north line of the T. & N. O.
28 Railroad Survey No. 1 to the most northerly corner of said Survey
29 No. 1;

30 THENCE, southeasterly along an east line of said Survey No. 1
31 and the west line of the M. H. Granberry Survey, A-208, to south
32 corner of said Granberry Survey;

33 THENCE, northeasterly along the south line of said Granberry
34 Survey to the west or northwest corner of the T. C. Fort Survey,

1 A-185;

2 THENCE, southeasterly along the west line of said Fort Survey
3 to its south or southwest corner on the north line of the J. W.
4 Boothe Survey;

5 THENCE, southwesterly along the north line of said Boothe
6 Survey to its west corner;

7 THENCE, southeasterly along the west line of said Boothe
8 Survey and along the west line of the Jesse E. Nash Survey, A-368,
9 to its south or southwest corner;

10 THENCE, easterly or northeasterly along the south line of
11 said Nash Survey to the west or northwest corner of the Manuel
12 Manchaca Survey, A-334;

13 THENCE, southeasterly along the west line of said Manchaca
14 Survey and along the east line of the E. Escamea Survey, A-690, to
15 the southeast corner of said Escamea Survey;

16 THENCE, easterly along the northeast line of the W. H. Crain
17 Survey, A-637 (T. & N. O. R. R. Survey #10) to the most northerly
18 east corner of said Crain Survey on the north line of the T. J.
19 Thigpen Survey, A-614;

20 THENCE, southwesterly along said north line of the Thigpen
21 Survey to its west or northwest corner;

22 THENCE, southeasterly along the west line of said Thigpen
23 Survey to an intermediate east corner of said W. H. Crain Survey;

24 THENCE, southerly along the east line of said Crain Survey to
25 its southeast corner;

26 THENCE, westerly along the south line of said Crain Survey to
27 the northeast corner of the T. & N. O. Railroad Survey No. 11;

28 THENCE, southerly along the east line of said T. & N. O.
29 Survey No. 11 to its intersection with the DeWitt-Victoria County
30 line;

31 THENCE, in a westerly or southwesterly direction along the
32 said DeWitt-Victoria County line to the most southerly corner of
33 DeWitt County on the north bank of the Fifteen Mile Colletto Creek,
34 the PLACE OF BEGINNING.

1 ~~[The Legislature hereby finds that the foregoing boundaries~~
2 ~~and field notes of said District form a closure, and, if any mistake~~
3 ~~is made in copying the field notes in the legislative process, such~~
4 ~~mistake shall not affect the organization, existence or validity of~~
5 ~~the District or its right to issue bonds or refunding bonds, and the~~
6 ~~right to assess, levy and collect taxes, or in any other manner~~
7 ~~affect the legality or operation of the District.]~~

8 SECTION 2.02. Section 2a, Chapter 477, Acts of the 59th
9 Legislature, Regular Session, 1965, is amended to read as follows:

10 Sec. 2a. The boundaries of the Muenster Hospital District
11 are ~~[may be changed so as to include the territory located in Cooke~~
12 ~~County, Texas, described below, and if such change in boundaries is~~
13 ~~effected, the District as enlarged shall assume and be obligated to~~
14 ~~pay all indebtedness of the District as the same exists prior to~~
15 ~~such expansion of boundaries within the taxing limit approved at~~
16 ~~the election for which provision is hereafter made, and the~~
17 ~~District shall continue to have the same duties and~~
18 ~~responsibilities, over its extended boundaries, as now imposed,~~
19 ~~except as modified by this Act. The territory which may be added to~~
20 ~~the District is described as follows:~~

21 ~~[FIELD NOTES TO THE ADDITION TO MUENSTER HOSPITAL DISTRICT~~

22 ~~[Being an irregular shaped district or area of land that is~~
23 ~~situated in the Southwest part of Cooke County, Texas, with the West~~
24 ~~and South boundary lines of said district being common with the West~~
25 ~~and South lines of said Cooke County and being more particularly~~
26 ~~described by bounds as follows:~~

27 ~~["Beginning at the Southwest corner of Cooke County, Texas,~~

28 ~~[Thence East, with the South line of said Cooke County to the~~
29 ~~intersection of said county line with the West line of the C. De~~
30 ~~Morse Survey, Abstract No. 305,~~

31 ~~[Thence North, with the West line of said C. De Morse Survey~~
32 ~~to the intersection of said Survey line with the South boundary line~~
33 ~~of the H. Lindsley 51 acre tract of land,~~

34 ~~[Thence East, with the South boundary line of said H.~~

1 ~~Lindsley 51 acre tract, passing the Southeast corner of said tract~~
2 ~~and continuing East to a point due South of the South or Southeast~~
3 ~~corner of the W. E. Fortenberry 67.5 acre tract of land;~~
4 ~~[Thence North, along a line, passing the South or Southeast~~
5 ~~corner of said Fortenberry 67.5 acre tract and continuing North,~~
6 ~~now with the East line of said 67.5 acre tract to its Northeast~~
7 ~~corner on the North line of said C. De Morse Survey, common with the~~
8 ~~South line of the W. M. Phelps Survey, Abstract No. 821;~~
9 ~~[Thence East, with the South line of said W. M. Phelps Survey~~
10 ~~to its Southeast corner being common with the Southwest corner of~~
11 ~~the J. Harrison Survey, Abstract No. 125;~~
12 ~~[Thence North, with the West line of said J. Harrison Survey,~~
13 ~~Abstract No. 125, passing the Northwest corner of said Harrison~~
14 ~~Survey and continuing North to a point in the South line of the P. P.~~
15 ~~Cady Survey, Abstract No. 1239;~~
16 ~~[Thence East, with the South line of said P. P. Cady Survey,~~
17 ~~passing the Southeast corner of said Survey and continuing East to~~
18 ~~the center of the Sam Seagraves Road;~~
19 ~~[Thence North, with the center of said Sam Seagraves Road to a~~
20 ~~point in the South line of the J. W. Dihill Survey, Abstract No.~~
21 ~~1049;~~
22 ~~[Thence West, with the South line of said Dihill Survey being~~
23 ~~common with the North lines of the D. M. Gray Survey, Abstract No.~~
24 ~~415 and the M. Sowder Survey, Abstract No. 1579, to the Northwest~~
25 ~~corner of said Sowder Survey;~~
26 ~~[Thence South, with the West line of said M. Sowder Survey, to~~
27 ~~the Northeast corner of the P. P. Cady Survey, Abstract No. 1239;~~
28 ~~[Thence West, with the North lines of said P. P. Cady Survey~~
29 ~~and W. M. Phelps Survey, Abstract No. 821, to the most~~
30 ~~Northerly-Northwest corner of said Phelps Survey on the East line~~
31 ~~of the W. F. Evans Survey, Abstract No. 347;~~
32 ~~[Thence North, with the East line of said W. F. Evans Survey,~~
33 ~~to the Southerly-Northeast corner of said Survey, being common with~~
34 ~~an inner corner to the P. O. Pittman Survey, Abstract No. 1211;~~

1 ~~[Thence West, continuing with the East line of said W. F.~~
2 ~~Evans Survey, in a jog to the West, to the inner corner to said Evans~~
3 ~~Survey, being common with the Westerly-Southwest corner of said P.~~
4 ~~O. Pittman Survey, Abstract No. 1211;~~

5 ~~[Thence North, continuing with the East line of said W. F.~~
6 ~~Evans Survey, to its Northerly-Northeast corner;~~

7 ~~[Thence West, with the North line of said W. F. Evans Survey,~~
8 ~~to its Northwest corner;~~

9 ~~[Thence South, with the West line of said W. F. Evans Survey,~~
10 ~~to the most Northerly-Northeast corner of the S. A. & M. C. R. R. Co.~~
11 ~~Survey, Abstract No. 1218;~~

12 ~~[Thence West, with the North line of said S. A. & M. C. R. R.~~
13 ~~Co. Survey, to the Northwest corner of said Survey being common with~~
14 ~~the Southwest corner of the I & G. N. R. R. Co. Survey, Abstract No.~~
15 ~~1265;~~

16 ~~[Thence North, with the West lines of the I & G. N. R. R. Co.~~
17 ~~Survey, Abstract No. 1265, the I. W. Emory Survey, Abstract No. 1700~~
18 ~~and the J. W. Francis Survey, Abstract No. 375, to the Northwest~~
19 ~~corner of said J. W. Francis Survey, common with the Northeast~~
20 ~~corner of the S. P. R. R. Co. Survey, Abstract No. 983 on the South~~
21 ~~line of the L. Finley Survey, Abstract No. 378;~~

22 ~~[Thence East, with the division line between said L. Finley~~
23 ~~and J. W. Francis Surveys, to the Southeast corner of said L. Finley~~
24 ~~Survey;~~

25 ~~[Thence North, with the East line of said L. Finley Survey to~~
26 ~~its Northeast corner on the South line of the L. A. English Survey,~~
27 ~~Abstract No. 1568;~~

28 ~~[Thence West, with the South line of said L. A. English~~
29 ~~Survey, common with the South boundary line of the F. W. Fishcer~~
30 ~~tract of land, to the Southwest corner of said Fishcer tract;~~

31 ~~[Thence North, with the West boundary line of said F. W.~~
32 ~~Fishcer tract of land, to a point in the center of Farm to Market~~
33 ~~Highway No. 922;~~

34 ~~[Thence East, with the center of said Farm to Market Highway~~

1 ~~No. 922, to the Northeast corner of the J. Hagerty Survey, Abstract~~
2 ~~No. 508,~~

3 ~~[Thence South, with the East line of said J. Hagerty Survey,~~
4 ~~to its Southeast corner on the North line of the E. Southward~~
5 ~~Survey, Abstract No. 927,~~

6 ~~[Thence West, with the division line between said J. Hagerty~~
7 ~~and E. Southward Surveys, to the Northwest corner of said E.~~
8 ~~Southward Survey,~~

9 ~~[Thence South, with the West line of said E. Southward Survey~~
10 ~~to its Southwest corner,~~

11 ~~[Thence East, with the South line of said E. Southward~~
12 ~~Survey, to a point in the center of the Sam Seagraves Road,~~

13 ~~[Thence North, with the center of said Sam Seagraves Road, to~~
14 ~~the intersection of said Road with the center of Farm to Market~~
15 ~~Highway No. 922,~~

16 ~~[Thence East, with the center of said Farm to Market Highway~~
17 ~~No. 922, to the intersection of said Highway with the center of the~~
18 ~~Arthur Reese Road,~~

19 ~~[Thence North, with the center of said Arthur Reese Road, to~~
20 ~~the intersection of said Road with the center of Farm to Market~~
21 ~~Highway No. 1630,~~

22 ~~[Thence in a Northeasterly direction, with the center of said~~
23 ~~Farm to Market Highway No. 1630 to the intersection of said Highway~~
24 ~~with the center of the J. T. Biffle Road,~~

25 ~~[Thence North, with the meandering of said J. T. Biffle Road~~
26 ~~to the Southwest corner of the H. Felderhoff 160 acre tract that is~~
27 ~~situated in the W. Thomas Survey, Abstract No. 1025 and continuing~~
28 ~~North, now with the West boundary line of said H. Felderhoff 160~~
29 ~~acre tract to the Northwest corner of said 160 acre tract on the~~
30 ~~North line of said W. Thomas Survey,~~

31 ~~[Thence East, with the North line of said W. Thomas Survey to~~
32 ~~its Northeast corner on the West line of the R. E. Shannon Survey,~~
33 ~~Abstract No. 963,~~

34 ~~[Thence North, with the West line of said R. E. Shannon Survey~~

1 ~~to its Northwest corner,~~
2 ~~[Thence East, with the North line of said R. E. Shannon Survey~~
3 ~~to its Northeast corner, being common with the Southwest corner of~~
4 ~~the A. H. Van Slyke Survey, Abstract No. 1076,~~
5 ~~[Thence North, with the West line of said A. H. Van Slyke~~
6 ~~Survey to the center of the abandoned M. K. & T. R. R. Co.~~
7 ~~Right-of-way,~~
8 ~~[Thence in a Westerly direction with the center of the~~
9 ~~abandoned M. K. & T. R. R. Co. Right-of-way to the West line of the~~
10 ~~A. J. Miller Survey, Abstract No. 635,~~
11 ~~[Thence North, with the West line of said A. J. Miller Survey~~
12 ~~to its Northwest corner on the South line of the M. University~~
13 ~~Survey, Abstract No. 619,~~
14 ~~[Thence West, with the South line of said M. University~~
15 ~~Survey to its Southwest corner on the East line of the John Barnett~~
16 ~~Survey, Abstract No. 42,~~
17 ~~[Thence North, with the East line of said John Barnett Survey~~
18 ~~to its Northeast corner,~~
19 ~~[Thence West with the North line of said Barnett Survey, 4043~~
20 ~~varas to the Northwest corner of Sub. No. 5 made by Gunter and~~
21 ~~Welleslet as shown by plat in the County Clerk's Office of Cooke~~
22 ~~County, Texas,~~
23 ~~[Thence South along the West boundary lines of Sub's Nos. 5,~~
24 ~~13, and 21 made by said Gunter and Welleslet, 3315 varas to the~~
25 ~~Southwest corner of said Sub. No. 21 on the South line of said John~~
26 ~~Barnett Survey,~~
27 ~~[Thence West on the South line of said Barnett Survey, 404~~
28 ~~varas to the Northwest corner of 153 acre tract out of the Wm.~~
29 ~~Slingland Survey, Abstract No. 897 conveyed to John Knauff by deed~~
30 ~~recorded in Book 76 page 328 of the Cooke County Deed Records, (now~~
31 ~~owned by Wm. Henschied),~~
32 ~~[Thence South 1200 varas to the Southwest corner of said~~
33 ~~Knauff (or Henschied) 153 acre tract, to the corner on the East line~~
34 ~~of the Reuben R. Brown Survey, and West line of the Wm. Slingland~~

1 ~~Survey,~~

2 ~~[Thence West through and across said Reuben R. Brown Survey,~~
3 ~~1900 varas to the West line of said Survey and the East line of the~~
4 ~~D. H. Campbell Survey, Abstract No. 196,~~

5 ~~[Thence South with the West line of the Reuben R. Brown~~
6 ~~Survey, 370 varas to the Northwest corner of the Cyrus Underwood~~
7 ~~Survey, Abstract No. 1072,~~

8 ~~[Thence South with its West line, passing its Southwest~~
9 ~~corner and continue South to the Southeast corner of the Cooke~~
10 ~~County School Land Survey, Abstract No. 1188, which is also an inner~~
11 ~~corner of the J. L. Townsley Survey, Abstract No. 1551,~~

12 ~~[Thence West to the Northwest corner of said Townsley Survey,~~
13 ~~on the South line of said Cooke County School Land Survey, Abstract~~
14 ~~No. 1188,~~

15 ~~[Thence South to the Southwest corner of said Townsley~~
16 ~~Survey, on the North line of the BBB & CRR Co. Survey, Abstract No.~~
17 ~~146,~~

18 ~~[Thence East with the Northbound line of said BBB & CRR Co.~~
19 ~~Survey, to a point 950 varas East of the Northwest corner of same,~~

20 ~~[Thence South 1900 varas to the South line of said BBB & CRR~~
21 ~~Co. Survey to the center of the Gainesville and Forestburg Road same~~
22 ~~being Farm to Market Highway No. 1630,~~

23 ~~[Thence Westerly with said road to the Northeast corner of~~
24 ~~the R. L. Hickox 100 acre tract out of the Northwest corner of the~~
25 ~~Thomas Toby Survey, Abstract No. 1062,~~

26 ~~[Thence South with the East line of said Hickox 100 acre~~
27 ~~tract, continuing South with the East line of the B. J. Mitchell 208~~
28 ~~acre tract out of said Toby Survey to the South line of said Toby~~
29 ~~Survey,~~

30 ~~[Thence West with the South line of said Toby Survey to the~~
31 ~~Northeast corner of the BBB & CRR Co. Survey, Abstract No. 147,~~

32 ~~[Thence South with the East line of said BBB & CRR Co. Survey~~
33 ~~to the Southeast corner of the B. J. Mitchell 206 acre tract out of~~
34 ~~said BBB & CRR Co. Survey,~~

1 ~~[Thence West with the South boundary line of said Mitchell~~
2 ~~206 acre tract to the West line of said BBB & CRR Co. Survey,~~
3 ~~Abstract No. 147,~~

4 ~~[Thence South with the West line of said BBB & CRR Co. Survey~~
5 ~~to the Southeast corner of the John Stump Survey, Abstract No. 1497,~~

6 ~~[Thence West with the South line of said Stump Survey,~~
7 ~~continuing West with the South line of the A. Stutzman Survey,~~
8 ~~Abstract No. 1444 to the Southwest corner of the said Stutzman~~
9 ~~Survey, same being the Southeast corner of the BBB & CRR Co. Survey,~~
10 ~~Abstract No. 150,~~

11 ~~[Thence West with the South line of said BBB & CRR Co. Survey,~~
12 ~~Abstract No. 150 to the Northwest corner of the J. M. Williamson~~
13 ~~Survey, Abstract No. 1107, said corner being a corner of the Felty~~
14 ~~282 acre tract,~~

15 ~~[Thence in a Southwesterly direction following the West line~~
16 ~~of the said 282 acre tract conveyed by J. A. Felty to R. M. Felty by~~
17 ~~deed recorded in Book 118, page 343 of Cooke County Deed Records to~~
18 ~~Williams Creek,~~

19 ~~[Thence down Williams Creek to the South line of Charles~~
20 ~~Lockhart Survey, Abstract No. 606,~~

21 ~~[Thence West with the South line of said Lockhart Survey to~~
22 ~~its Southwest corner,~~

23 ~~[Thence North with the West line of said Lockhart Survey to~~
24 ~~its Northwest corner on the South line of the J. J. Arocha Survey,~~
25 ~~Abstract No. 22,~~

26 ~~[Thence West on the South line of said Arocha Survey to its~~
27 ~~Southwest corner,~~

28 ~~[Thence North with the West line of said Arocha Survey to its~~
29 ~~Northwest corner on the South line of the BBB & CRR Co. Survey,~~
30 ~~Abstract No. 150,~~

31 ~~[Thence West with the South line of said BBB & CRR Co. Survey,~~
32 ~~passing its Southwest corner and continuing West with the South~~
33 ~~line of the J. M. Culp Survey, Abstract No. 1350 to the Southwest~~
34 ~~corner of said Culp Survey,~~

1 ~~[Thence North with the West line of said Culp Survey to a~~
2 ~~point due East of the Southeast corner of the J. A. Moore Survey,~~
3 ~~Abstract No. 759,~~

4 ~~[Thence West passing the Southeast corner of said Moore~~
5 ~~Survey, continuing West with the South line of said Moore Survey to~~
6 ~~the Northwest corner of I. & C. N. R. R. Co. Survey, Abstract No.~~
7 ~~1264,~~

8 ~~[Thence South to its Southwest corner, which is common with~~
9 ~~the Southeast corner of the D. W. Donnel Survey, Abstract No. 1477,~~

10 ~~[Thence West with the South line of said Donnel Survey to its~~
11 ~~Southwest corner on the East line of the S. P. R. R. Co. Survey,~~
12 ~~Abstract No. 984,~~

13 ~~[Thence Southeasterly with the Northeast line of said S. P.~~
14 ~~R. R. Co. Survey, Abstract No. 984 to the Southeast corner of said~~
15 ~~Survey,~~

16 ~~[Thence in a Southwesterly direction with the South line of~~
17 ~~said SPRR Co. Survey to the extreme Southeast corner of the T. B.~~
18 ~~Settles tract out of said SPRR Co. Survey,~~

19 ~~[Thence in a Northwesterly direction with the East line of~~
20 ~~the Settles tract to the Southern Northeast corner of said tract,~~

21 ~~[Thence in a Southwesterly direction with Settles line to his~~
22 ~~ell corner, passing this corner and continuing Southwesterly to the~~
23 ~~Southwest line of said SPRR Co. Survey, which is also the Northeast~~
24 ~~line of the Jacob Wilcox Survey, Abstract No. 1162,~~

25 ~~[Thence in a Northwesterly direction with said SPRR Co.~~
26 ~~Survey Southwestern line to the Southeast corner of the L. A.~~
27 ~~Wineblood 80 acre tract out of the Jacob Wilcox Survey, Abstract No.~~
28 ~~1162,~~

29 ~~[Thence Southwesterly with the South boundary line of said~~
30 ~~Wineblood 80 acres to its Southwest corner, said corner being the~~
31 ~~Southeast corner of the T. B. Settles 80 acre tract out of the said~~
32 ~~Jacob Wilcox Survey,~~

33 ~~[Thence Northwesterly with the East boundary line of said~~
34 ~~Settles 80 acre tract to the South boundary line of the E. M.~~

1 ~~Roberson 150 acre tract out of the said Jacob Wilcox Survey;~~

2 ~~[Thence Southwesterly with the South boundary line of said~~
3 ~~Roberson 150 acres to its Southwest corner on the Southwestern line~~
4 ~~of said Wilcox Survey;~~

5 ~~[Thence Northwesterly with said Southwestern line to the~~
6 ~~Northwest corner of the said Wilcox Survey, an ell corner of the~~
7 ~~John Deck Survey, Abstract No. 298, said corner being on the~~
8 ~~Southeast boundary line of the Huchton 271 acres out of said Deck~~
9 ~~Survey;~~

10 ~~[Thence Southwesterly with said Southeastern boundary line~~
11 ~~of said Huchton tract to the county line between Cooke and Montague~~
12 ~~Counties;~~

13 ~~[Thence South, with the county line between Cooke and~~
14 ~~Montague Counties to the Southwest corner of said Cooke County, to~~
15 ~~the Place of Beginning."~~

16 ~~[In the event the change in boundaries of said District is~~
17 ~~approved at an election as hereinafter provided, the boundaries of~~
18 ~~the Muenster Hospital District shall be] as follows:~~

19 FIELD NOTES TO THE MUENSTER HOSPITAL DISTRICT (EXPANDED)

20 Being an irregular shaped district or area of land that is
21 situated in the West part of Cooke County, Texas, with the South,
22 West and North boundaries being common with the South, West and
23 North lines of said Cooke County and being more particularly
24 described by bounds as follows:

25 Beginning at the Southwest corner of Cooke County, Texas;

26 Thence North, with the county line between Cooke and Montague
27 Counties to the Northwest corner of said Cooke County on the South
28 cut bank of Red River, common with the boundary line between Texas
29 and Oklahoma;

30 Thence East and Northeast with the meanderings of Red River
31 to a point due North of the Northeast corner of the W. H. Nordman
32 Survey, Abstract No. 1306;

33 Thence South to said corner of the Nordman Survey;

34 Thence South with the East line of said Nordman Survey to the

1 Northwest corner of the BBB & CRR Co. Survey, Abstract No. 139;
2 Thence East with the North line of said BBB & CRR Co. Survey
3 to its Northeast corner;
4 Thence South with the East line of said BBB & CRR Co. Survey
5 and West boundary line of a 260 acre tract out of the H. T. & BRR Co.
6 Survey, Abstract No. 498 conveyed to T. A. Galbrath by J. A.
7 Cunningham by deed dated August 18, 1910 and recorded in Volume 105,
8 page 534, Cooke County Deed Records, to the most Southerly
9 Southwest corner of said Galbrath 260 acre tract;
10 Thence East with the South line of said Galbrath 260 acre
11 tract to its Southeast corner on the West boundary line of the J. D.
12 Burch Survey, Abstract No. 1723;
13 Thence South with the West line of said Burch Survey to the
14 Southwest corner thereof;
15 Thence East with the South line of said Burch Survey to the
16 Northwest corner of the Lewis Knight Survey, Abstract No. 548;
17 Thence South with the West line of said Knight Survey to its
18 Southwest corner;
19 Thence East with the South line of said Knight Survey to the
20 Northwest corner of the J. D. Sharum Survey, Abstract No. 960;
21 Thence South with the West line of said Sharum Survey to its
22 Southwest corner;
23 Thence East to the Northeast corner of the Jacob Long Survey,
24 Abstract No. 583;
25 Thence South with the East line of said Jacob Long Survey,
26 Abstract No. 583, and the West line of the Jacob Long Survey,
27 Abstract No. 582 to the Southwest corner of said Jacob Long Survey,
28 Abstract No. 582;
29 Thence East and South with the boundary line to the Southeast
30 corner of said Jacob Long Survey, Abstract No. 582, this being on
31 the West line of D. Martin Survey, Abstract No. 653;
32 Thence South and East with this boundary line of the said
33 Martin Survey to the Northwest corner of the I. N. Brookfield
34 Survey, Abstract No. 1714;

1 Thence East with the North line of said Brookfield Survey to
2 the North Northeast corner of said Brookfield Survey on the West
3 line of the Wm. Martin Survey, Abstract No. 686;

4 Thence South to the Southwest corner of said Wm. Martin
5 Survey;

6 Thence East with the South line of said Martin Survey to its
7 Southeast corner on the North line of the J. E. Gilliam Survey,
8 Abstract No. 1486, same being an ell corner of said Gilliam Survey;

9 Thence North to the North Northwest corner of said Gilliam
10 Survey;

11 Thence East to the Northeast corner of said Gilliam Survey,
12 which is also the Northwest corner of the A. C. Miller Survey,
13 Abstract No. 1717, continuing East with the North line of said
14 Miller Survey to its Northeast corner on the West line of the Hiram
15 Sadler Survey, Abstract No. 901;

16 Thence North with the West line of said Sadler Survey to its
17 Northwest corner;

18 Thence East with the North line of said Sadler Survey to the
19 Northeast corner of the C. E. Marshall 100 acre tract out of the
20 Northwest corner of said Sadler Survey;

21 Thence South with the East line of said 100 acre tract to the
22 Northeast corner of the C. E. Marshall 435 acre tract out of said
23 Sadler Survey;

24 Thence continuing South with the East line of said 435 acre
25 tract to an inner corner thereof;

26 Thence East to the Southern Northeast corner of said 435 acre
27 tract;

28 Thence South with the East line of the 435 acre tract to its
29 Southeast corner;

30 Thence West with the South line of said 435 acres to the
31 Northeast corner of Lot No. 32 out of said Sadler Survey, which is
32 also the Northwest corner of Lot No. 33 out of said Survey;

33 Thence South with the West line of said Lot No. 33 to its
34 Southwest corner on the North line of Lot No. 29 out of said Survey;

1 Thence East with the North line of Lot No. 29 to its Northeast
2 Corner, which is also the Northwest corner of Lot No. 28;

3 Thence South with the West lines of Lots Nos. 28, 13 and 8 to
4 the Southwest corner of Lot No. 8 on the South line of said Sadler
5 Survey;

6 Thence East with the South line of Lot No. 8, passing its
7 Southeast corner, which is also the Southwest corner of Lot No. 7
8 out of said Sadler Survey, continuing East with the South line of
9 said Lot No. 7, to the Northeast corner of the SA & MGRR Co. Survey,
10 Abstract No. 974, on the South line of said Sadler Survey;

11 Thence South with the East line of said SA & MGRR Co. Survey
12 to its extreme Southeast corner on the East line of the B. C. Bagby
13 Survey, Abstract No. 82;

14 Thence South 10 degrees East with the East line of said Bagby
15 Survey to its Southeast corner, which corner is also the North
16 Northeast corner of the R. F. Millard Survey, Abstract No. 643 and
17 being common with the Northeast corner of the W. L. Parker 155 acre
18 tract;

19 Thence South to the ell corner of said Millard Survey, on the
20 East boundary line of said Parker 155 acre tract;

21 Thence continuing South with the East line of said 155 acre
22 tract to its Southeast corner;

23 Thence in a Southwesterly direction with the South line of
24 said 155 acre tract to the Northeast corner of the M. Charo Survey,
25 Abstract No. 214;

26 Thence in a Southeasterly direction with the East line of
27 said Charo Survey to its Southeast corner, which is also the
28 Northeast corner of the P. Fleming Survey, Abstract No. 386;

29 Thence in a Southwesterly direction with the North line of
30 said Fleming Survey to its Northwest corner on the East line of the
31 T. R. Gossett Survey, Abstract No. 416;

32 Thence North with the East line of said Gossett Survey to the
33 Northeast corner of the 105 acre tract sold by W. Kemplin to Tony
34 Voth, by deed recorded in Book 325, page 556 of Cooke County Deed

1 Records;

2 Thence West with the North line of said 105 acre tract to its
3 Northwest corner on the West line of said Gossett Survey;

4 Thence South with the West line of said Gossett Survey to its
5 Southwest corner, said corner being the Northwest corner of the O.
6 F. Leverett Survey, Abstract No. 563, and the Northeast corner of
7 the Kuykendall Survey, Abstract No. 560, continuing South with the
8 East line of said Kuykendall Survey to the Northeast corner of the
9 100 acre tract out of said Kuykendall Survey conveyed by J. C.
10 Hemphill and wife to George E. Hemphill by deed recorded in Book 66,
11 page 113 of Cooke County Deed Records, (which said 100 acres is now
12 owned by Mike Fuhrmann);

13 Thence West with the North line of said 100 acre tract to the
14 Northwest corner of said 100 acres, same being the Northeast corner
15 of the 83 acres conveyed by Christine Roewe to Jos. Fleitman, by
16 deed recorded in Book 254, page 495 of the Cooke County Deed
17 Records;

18 Thence South with the West line of said Fuhrmann 100 acres to
19 its Southwest corner on the South line of said Kuykendall Survey;

20 Thence West with the South line of said Kuykendall Survey to
21 the Northwest corner of the J. B. Trenary Survey, Abstract No. 1043;

22 Thence South with the West line of said Trenary Survey,
23 continuing South with the West line of the A. Smith Survey, Abstract
24 No. 903 to its Southwest corner;

25 Thence South to the Southwest corner of 218.32 acre tract out
26 of C. Jessup Survey, Abstract No. 522, same being that conveyed to
27 Ray Kupper from W. H. Campbell, recorded in Volume 443, page 570 of
28 Cooke County Deed Records;

29 Thence due East across the C. Jessup Survey, Abstract No. 522
30 to the West boundary line of M. Alexander Survey, Abstract No. 6;

31 Thence South with the West line of said Alexander Survey to
32 its Southwest corner which is also the Southeast corner of the J. Y.
33 Wadlington Survey, Abstract No. 1282;

34 Thence West with the South line of said Wadlington Survey to

1 the Northeast boundary line of the H. Jennings Survey, Abstract No.
2 531;

3 Thence Southeasterly with said Northeast line of said H.
4 Jennings Survey to its Southeast corner;

5 Thence West on the North line of the A. Van Slyke Survey,
6 Abstract No. 1076, continuing West with the North line of the A. Van
7 Slyke Survey, Abstract No. 1075 and the North line of the Marshall
8 University Survey, Abstract No. 620 to the Southwest corner of said
9 H. Jennings Survey, said corner being also the Southeast corner of
10 the J. Jennings Survey, Abstract No. 530;

11 Thence North 45 degrees West 1967 varas to the Northwest
12 corner of the J. J. Tomlinson Survey, Abstract No. 1009, said corner
13 being the Northeast corner of the G. E. N. Ball Survey, Abstract No.
14 1649;

15 Thence South 45 degrees West with the North line of said Ball
16 Survey to the Southeast corner of the H. Ritchey Survey, Abstract
17 No. 845, said corner being the Southwest corner of the William
18 Thomas Survey, Abstract No. 1024;

19 Thence North 45 degrees West with the West line of said Thomas
20 Survey to its Northwest corner, said corner being due East of the
21 Southeast corner of the O. F. Leverett Survey, Abstract No. 607 and
22 the Northeast corner of the John Barnett Survey, Abstract No. 42;

23 Thence due West to the Northeast corner of the John Barnett
24 Survey, Abstract No. 42;

25 Thence South, with the East line of said John Barnett Survey
26 to the Southwest corner of the M. University Survey, Abstract No.
27 619;

28 Thence East, with the South line of said M. University
29 Survey, to the Northwest corner of the A. J. Miller Survey, Abstract
30 No. 635;

31 Thence South, with the West line of said A. J. Miller Survey
32 to the center of the abandoned M. K. & T. R. R. Co. Right-of-way;

33 Thence in an Easterly direction with the center of the
34 abandoned M. K. & T. R. R. Co. Right-of-way, to the West line of the

1 A. H. Van Slyke Survey, Abstract No. 1076;
2 Thence South, with the West line of said A. H. Van Slyke
3 Survey to its Southwest corner, being common with the Northeast
4 corner of the R. E. Shannon Survey, Abstract No. 963;
5 Thence West, with the North line of said R. E. Shannon Survey
6 to its Northwest corner;
7 Thence South, with the West line of said R. E. Shannon Survey
8 to the Northeast corner of the W. Thomas Survey, Abstract No. 1025;
9 Thence West, with the North line of said W. Thomas Survey,
10 common with the North boundary line of the H. Felderhoff 160 acre
11 tract of land, to the Northwest corner of said 160 acre tract;
12 Thence South, with the West line of said H. Felderhoff 160
13 acre tract to its Southwest corner and continuing South, now with
14 the meandering of the center of the J. T. Biffle Road to the
15 intersection of said road with the center of Farm to Market Highway
16 No. 1630;
17 Thence Southeasterly, with the center of said Farm to Market
18 Highway No. 1630, to the intersection of said Highway with the
19 center of the Arthur Reese Road;
20 Thence South, with the center of the Arthur Reese Road to the
21 intersection of said Road with the center of Farm to Market Highway
22 No. 922;
23 Thence West, with the center of said Farm to Market Highway
24 No. 922, to the intersection of said Highway with the center of the
25 Sam Seagraves Road;
26 Thence South, with the center of said Sam Seagraves Road, to
27 the Southeast corner of the E. Southward Survey, Abstract No. 927;
28 Thence West, with the South line of said E. Southward Survey
29 to its Southwest corner;
30 Thence North, with the West line of said E. Southward Survey
31 to its Northwest corner on the South line of the J. Hagerty Survey,
32 Abstract No. 508;
33 Thence East, with the South line of said J. Hagerty Survey to
34 its Southeast corner;

1 Thence North, with the East line of said J. Hagerty Survey, to
2 a point in the center of Farm to Market Highway No. 922;
3 Thence West, with the center of Farm to Market Highway No.
4 922, to the Northwest corner of the F. W. Fishcer tract of land;
5 Thence South, with the West boundary line of said F. W.
6 Fishcer tract of land to its Southwest corner on the South line of
7 the L. A. English Survey, Abstract No. 1568;
8 Thence East, with the South line of said L. A. English Survey,
9 to the Northeast corner of the L. Finley Survey, Abstract No. 378;
10 Thence South, with the East line of said L. Finley Survey to
11 its Southeast corner on the North line of the J. W. Francis Survey,
12 Abstract No. 375;
13 Thence West, with the North line of said J. W. Francis Survey
14 to its Northwest corner, being common with the Northeast corner of
15 the S. P. R. R. Co. Survey, Abstract No. 983;
16 Thence South, with the East lines of said S. P. R. R. Co. and
17 M. Vance Surveys, Abstract No. 1077, to the Southwest corner of the
18 I. & G. N. R. R. Co. Survey, Abstract No. 1265;
19 Thence East, with the South line of said I. & G. N. R. R. Co.
20 Survey, Abstract No. 1265, to its Southeast corner on the West line
21 of the W. F. Evans Survey, Abstract No. 347;
22 Thence North, with the West line of said W. F. Evans Survey to
23 its Northwest corner;
24 Thence East, with the North line of said W. F. Evans Survey to
25 its Northeast corner;
26 Thence South, with the East line of said W. F. Evans Survey to
27 an inner corner to said Survey, being common with the most Westerly
28 Southwest corner of the P. O. Pittman Survey, Abstract No. 1211;
29 Thence East, with the division line between said W. F. Evans
30 and P. O. Pittman Surveys, to an inner corner of said Pittman
31 Survey;
32 Thence South, continuing with the South line of said P. O.
33 Pittman Survey, in a jog to the South, to the most
34 Northerly-Northwest corner of the W. M. Phelps Survey, Abstract No.

1 821;

2 Thence East, with the North lines of the W. M. Phelps and P.
3 P. Cady Surveys, to the Northeast corner of said P. P. Cady Survey,
4 Abstract No. 1239, on the West line of the M. Sowder Survey,
5 Abstract No. 1579;

6 Thence North, with the West line of said M. Sowder Survey to
7 its Northwest corner;

8 Thence East, with the North line of said M. Sowder Survey, to
9 a point in the center of the Sam Seagraves Road;

10 Thence South, with the center of the Sam Seagraves Road, to a
11 point due East of the Southeast corner of the P. P. Cady Survey,
12 Abstract No. 1239;

13 Thence West, along a line crossing the M. Sowder Survey,
14 Abstract No. 1579, passing the Southeast corner of said P. P. Cady
15 Survey and continuing West, now with the South line of said Cady
16 Survey, to the most Easterly-Northeast corner of the W. M. Phelps
17 Survey, Abstract No. 821;

18 Thence South, with the East line of said W. M. Phelps Survey
19 to its Southeast corner on the North line of the C. De Morse Survey,
20 Abstract No. 305;

21 Thence West, with the North line of said C. De Morse Survey,
22 to the Northeast corner of the W. E. Fortenberry 67.5 acre tract of
23 land;

24 Thence South, with the East boundary line of said W. E.
25 Fortenberry 67.5 acre tract and continuing South to a point due East
26 of the Southeast corner of the H. Lindsley 51 acre tract of land;

27 Thence West, passing the Southeast corner of said H. Lindsley
28 51 acre tract of land and continuing West, now with the South line
29 of said 51 acre tract to its intersection with the West line of the
30 C. De Morse Survey, Abstract No. 305;

31 Thence South, with the West line of said C. De Morse Survey,
32 to the intersection of said survey line with the county line between
33 Cooke and Denton Counties;

34 Thence West, with said county line between Cooke and Denton

1 Counties, passing the Northwest corner of said Denton County and
2 continuing West, now with the county line between Cooke and Wise
3 Counties to the Southwest corner of said Cooke County, to the Place
4 of Beginning.

5 ~~[The change in the boundaries of the Muenster Hospital~~
6 ~~District, as herein permitted, shall not be effective unless and~~
7 ~~until such change is approved by a majority of the qualified~~
8 ~~property taxpaying electors residing within the boundaries of the~~
9 ~~area permitted to be annexed and by a majority of the qualified~~
10 ~~property taxpaying electors residing within the boundaries of the~~
11 ~~District as defined in Section 1(b) of the Act, voting at an~~
12 ~~election called for that purpose. The election shall be called by~~
13 ~~the Board of Directors of the District and shall be held not less~~
14 ~~than thirty (30) nor more than sixty (60) days from the date of the~~
15 ~~order calling such election. The order calling the election shall~~
16 ~~specify the time and places of holding the same, the form of the~~
17 ~~ballot and name the presiding and alternate judges for each voting~~
18 ~~place. Notice of the election shall be given by publishing a~~
19 ~~substantial copy of the election order in a newspaper of general~~
20 ~~circulation in the two areas in which the election is to be held,~~
21 ~~once a week for two consecutive weeks, the first publication to~~
22 ~~appear at least fourteen (14) days prior to the date set for the~~
23 ~~election. At the election there shall be submitted the proposition~~
24 ~~of whether the boundaries of the District shall be expanded and~~
25 ~~shall all taxable property situated within the expanded boundaries~~
26 ~~of the District be subject to the levy of annual taxes at a rate not~~
27 ~~to exceed seventy-five cents (75¢) on each one hundred dollar~~
28 ~~valuation of taxable property for the purpose of meeting the~~
29 ~~requirements of the District's bonds, and for the care of~~
30 ~~indigents. The ballots shall be printed to provide for voting for or~~
31 ~~against the proposition.~~

32 ~~['The expansion of the boundaries of the Muenster Hospital~~
33 ~~District and the levy of a tax not to exceed seventy-five cents~~
34 ~~(75¢) on the one hundred dollar valuation of all taxable property~~

1 ~~within the expanded boundaries of the District.~~'

2 ~~[As a result of recent court decisions relating to elections,~~
3 ~~the Legislature hereby recognized there is some confusion as to the~~
4 ~~proper qualifications of electors who may participate in certain~~
5 ~~types of elections. It is therefore expressly provided that the~~
6 ~~Board of Directors in calling any election required to be held under~~
7 ~~the provisions of this Act may provide that all qualified electors,~~
8 ~~including those who own taxable property which has been duly~~
9 ~~rendered for taxation should be permitted to vote at the election~~
10 ~~being called, by reason of the aforesaid court decisions, provided,~~
11 ~~however, in the order calling the election, provision is made~~
12 ~~whereby the ballots of the resident qualified property taxpaying~~
13 ~~electors who own taxable property which has been duly rendered for~~
14 ~~taxation can be tabulated and counted separately from the ballots~~
15 ~~of the other qualified electors, and in any election so called, a~~
16 ~~majority vote of the resident qualified property taxpaying voters~~
17 ~~who own taxable property which has been duly rendered for taxation~~
18 ~~and a majority vote of all qualified electors, including those who~~
19 ~~own taxable property which has been duly rendered for taxation,~~
20 ~~shall be required to sustain the proposition.]~~

21 SECTION 2.03. Section 1, Chapter 95, Acts of the 56th
22 Legislature, Regular Session, 1959, is amended to read as follows:

23 Sec. 1. The ~~[There is hereby created and established within~~
24 ~~the State of Texas in addition to the districts into which the state~~
25 ~~has heretofore been divided in the form and manner hereinafter~~
26 ~~provided, a Conservation and Reclamation District to be known as]~~
27 Lavaca County Flood Control District Number 3 consists [~~7~~
28 ~~hereinafter called the District, and consisting]~~ of that part of
29 the State of Texas, all within the boundaries of the County of
30 Lavaca, comprehended within the following field notes, to-wit:

31 BEGINNING at a point on the East side of the Lavaca River
32 about one mile up said river from the City of Hallettsville where
33 the league line between the J. Hallett and Luke Presnal Leagues
34 joins said river;

1 THENCE in an easterly direction along said league line to the
2 point where said line intersects with F.M. Road No. 537, being the
3 Hallettsville to Breslau F.M. Road;

4 THENCE along said F.M. Road No. 537 in a northerly direction
5 to a road; said road being located immediately S. of Campbell
6 Branch;

7 THENCE along said road in an easterly direction to its
8 intersection with U. S. Highway No. 77, being the Hallettsville to
9 Schulenburg Highway;

10 THENCE along said Highway No. 77 in a southerly direction to
11 the N.W. corner of the H. C. Randow property;

12 THENCE along Randow's property in an easterly direction and
13 continuing along the north property line of the Joe Pavlu tract to a
14 point being the N.E. corner of the Pavlu tract;

15 THENCE in a southerly direction along the E. line of the Pavlu
16 tract, also being the Joe Leopold west boundary line and following
17 said line to a road immediately on the west side of the Catholic
18 Cemetery;

19 THENCE along said road in a southerly direction to a point
20 where such road intersects with the "cemetery road";

21 THENCE along said cemetery road in a westerly direction to
22 the Jim Najvar property;

23 THENCE in a southerly direction along the east boundary line
24 of the Najvar property to U. S. Highway No. 90A;

25 THENCE beginning from U. S. Highway No. 90A and running in a
26 southerly direction along F.M. Road No. 530 (presently known as the
27 F.M. Road No. 530 By-pass) to a point where such by-pass intersects
28 with the present F.M. Road No. 530 (being the Hallettsville to
29 Vienna F.M. Road);

30 THENCE beginning at a point on the west side of F.M. Road No.
31 530 and running in a westerly direction along the S. boundary line
32 of the Anna Treptow Estate tract and continuing along the S.
33 boundary line of the Louis Menking tract to the E. A. Turk tract;

34 THENCE along the said Turk tract in a southerly direction to

1 the Lavaca River;

2 THENCE up said river to the Poor Farm Bridge;

3 THENCE southerly and in a westerly direction along the
4 boundary line of the Emil Marek tract of land:

5 THENCE along the S. boundary line of the Rud. Bujnoch tract in
6 a westerly direction to U. S. Highway No. 77 (being the
7 Hallettsville to Victoria Highway);

8 THENCE along said highway in a northerly direction to the T. &
9 N. O. Railroad crossing;

10 THENCE in a westerly direction along the N. boundary line of
11 the T. & N. O. Railroad right-of-way to the H. O. Von Rosenberg
12 tract;

13 THENCE in a northerly direction along the East boundary line
14 of the H. O. Von Rosenberg tract to U. S. Highway No. 77A (being the
15 Hallettsville to Yoakum Highway);

16 THENCE beginning at a point on the N. side of U. S. Highway
17 No. 77A and running in a northerly direction along the east line of
18 the A. Schubert tract and continuing to the I. Rheinstrom tract;

19 THENCE along the west of the Rheinstrom tract to a creek also
20 being the division line between the Rheinstrom and Alphonse Steffek
21 tracts;

22 THENCE along said creek in an easterly direction to the
23 Lavaca River.

24 ~~[Such District shall be a governmental agency and body
25 politic and corporate, with the powers of government and with the
26 authority to exercise the rights, privileges, and functions
27 hereinafter specified, the creation and establishment of such
28 District being essential to the accomplishment of the purposes of
29 Section 59 of Article XVI of the Constitution of this State, as
30 amended, including the control, storing, preservation, and
31 distribution of the storm and floodwaters, and the waters of the
32 rivers and streams in the District and their tributaries, for
33 domestic, municipal, flood control, irrigation, and other useful
34 purposes, the reclamation and drainage of the overflow land within~~

1 ~~the District, the conservation of forests, and to aid in the~~
2 ~~protection of navigation on the navigable waters by regulating the~~
3 ~~flood and storm waters that flow into said navigable streams.]~~

4 SECTION 2.04. Section 1, Chapter 714, Acts of the 65th
5 Legislature, Regular Session, 1977, is amended to read as follows:

6 Sec. 1. The boundaries of the Meeker Municipal Water
7 District are [~~Under and pursuant to the provisions of Article XVI,~~
8 ~~Section 59, of the Texas Constitution, a conservation and~~
9 ~~reclamation district is hereby created and established in Jefferson~~
10 ~~County, Texas, to be known as "Meeker Municipal Water District"~~
11 ~~(the "district"), and the boundaries of said district shall be]~~ as
12 follows:

13 BEGINNING at the intersection of the center line of the TNN&O
14 Railroad (Southern Pacific Railroad) right-of-way and the west
15 right-of-way line of the Lower Neches Valley Authority lateral
16 sometimes called Port Arthur Fresh Water Canal;

17 THENCE in a westerly direction along the center line of the
18 TNN&O Railway (Southern Pacific Railroad) right-of-way to the east
19 line of the James Gerish, Sr. League, Abstract 24, the same being
20 the west right-of-way line of the Texas Public Service Company,
21 Lower Neches Valley Authority (Cheek) Lateral;

22 THENCE north with the west right-of-way line of the Texas
23 Public Service Company, now Lower Neches Valley Authority (Cheek)
24 lateral, to its intersection with the center line of the LNVA/Texas
25 Public Service Company's BI main canal;

26 THENCE northerly with the center line of the LNVA/Texas
27 Public Service Company's/BI main canal to its intersection of the
28 center line of State Highway 105;

29 THENCE westerly with the center line of State Highway 105 to
30 its intersection with the right descending bank (the southeast
31 bank) of Pine Island Bayou;

32 THENCE southwesterly with the meanders of the southeast bank
33 (right descending bank) of Pine Island Bayou in a southeasterly
34 direction to its intersection with the east line of the J. M.

1 Carpenter Abstract 73, Tract No. 73;
2 THENCE south with the east line of the J. M. Carpenter
3 Abstract 743, Tract No. 73, to the north line of the George Ennis
4 Tract Abstract 824;
5 THENCE west with the north line of the George Ennis Tract
6 Abstract 824 to its northwest corner;
7 THENCE south with the west line of the George Ennis Abstract
8 824 Tract to the north line of T&O RRC Abstract 237, Tract 101;
9 THENCE west with the north line of the T&NO RR Company
10 Abstract 237, Tract 101, to its northwest corner;
11 THENCE south with the west line of the T&NO Railroad Company
12 Abstract 237, Tract 101, to its southwest corner;
13 THENCE east with the south line of the T&NO RR Company
14 Abstract 237, Tract 101, to the south line of the P. J. Chiles
15 Survey, continuing east with the south line of the P. J. Chiles
16 Survey, and its projection, which is the same line as the south line
17 of the Susannah Cotton Tract, Abstract 106, and south line of the S.
18 Cotton Tract, Abstract 107, to the north right-of-way of the
19 LNVA/Texas Public Service Company's/BI main canal;
20 THENCE east with the north right-of-way line of the Lower
21 Neches Valley Authority/Texas Public Service Company's/BI main
22 canal to its intersection with the west right-of-way line of Imes
23 Road;
24 THENCE south with the west right-of-way line of Imes Road to
25 the center line of the T&NO RR (Southern Pacific) right-of-way
26 line;
27 THENCE west with the center line of the T&NO RR/Southern
28 Pacific right-of-way to the east bank of Green Pond Gulley;
29 THENCE south with the meanders of the east bank of Green Pond
30 Gulley to the north line of the HT&B RR Company Abstract 150, Tract
31 7, the same being the south line of the James Gerish, Sr. League;
32 THENCE east along the north line of the HT&B RR Company
33 Abstract 150, Tract 7, and the south line of the James Gerish, Sr.
34 League to the southeast corner of the James Gerish, Sr. League;

1 THENCE continuing east along the south line of the Ashley
2 Savery League Abstract 46 to the east right-of-way line of the
3 LNVA/Texas Public Service Company/Tyrrell Lateral;

4 THENCE north with the west right-of-way line of the
5 LNVA/Texas Public Service Company/Tyrrell Lateral and continuing
6 along the west right-of-way line of the LNVA/Port Arthur Canal in a
7 north and northwesterly direction to the place of beginning.

8 SECTION 2.05. Section 1(a), Chapter 1331, Acts of the 76th
9 Legislature, Regular Session, 1999, is amended to read as follows:

10 (a) The following groundwater conservation districts are
11 created:

- 12 (1) Cow Creek Groundwater Conservation District;
- 13 (2) Brazos Valley Groundwater Conservation District;
- 14 (3) Crossroads Groundwater Conservation District;
- 15 (4) Hays Trinity Groundwater Conservation District;
- 16 (5) ~~[Lone Wolf Groundwater Conservation District;~~
- 17 ~~[(6) Lost Pines Groundwater Conservation District;~~
- 18 ~~[(7) McMullen Groundwater Conservation District;~~
- 19 (6) ~~[(8)]~~ Middle Pecos Groundwater Conservation
20 District;
- 21 (7) ~~[(9)]~~ Red Sands Groundwater Conservation
22 District;
- 23 (8) ~~[(10)]~~ Refugio Groundwater Conservation District;
- 24 (9) ~~[(11)]~~ Southeast Trinity Groundwater Conservation
25 District; and
- 26 (10) ~~[(12)]~~ Texana Groundwater Conservation District.

27 SECTION 2.06. Section 2(a), Chapter 1331, Acts of the 76th
28 Legislature, Regular Session, 1999, is amended to read as follows:

29 (a) The boundaries of the following groundwater
30 conservation districts are coextensive with county boundaries as
31 follows:

- 32 (1) the boundaries of the Cow Creek Groundwater
33 Conservation District are coextensive with the boundaries of
34 Kendall County;

1 (2) the boundaries of the Brazos Valley Groundwater
2 Conservation District are coextensive with the boundaries of
3 Robertson and Brazos Counties;

4 (3) the boundaries of the Crossroads Groundwater
5 Conservation District are coextensive with the boundaries of
6 Victoria County;

7 ~~(4) [the boundaries of the Lone Wolf Groundwater
8 Conservation District are coextensive with the boundaries of
9 Mitchell County,~~

10 ~~[(5) the boundaries of the Lost Pines Groundwater
11 Conservation District are coextensive with the boundaries of
12 Bastrop and Lee Counties, but if the voters of only one county
13 confirm the creation of the district under Section 10 of this Act,
14 the boundaries of the district are coextensive with the boundaries
15 of that county,~~

16 ~~[(6)]~~ the boundaries of the McMullen Groundwater
17 Conservation District are coextensive with the boundaries of
18 McMullen County;

19 (5) ~~[(7)]~~ the boundaries of the Middle Pecos
20 Groundwater Conservation District are coextensive with the
21 boundaries of Pecos County;

22 (6) ~~[(8)]~~ the boundaries of the Refugio Groundwater
23 Conservation District are coextensive with the boundaries of
24 Refugio County; and

25 (7) ~~[(9)]~~ the boundaries of the Texana Groundwater
26 Conservation District are coextensive with the boundaries of
27 Jackson County.

28 SECTION 3.01. The following statutes are repealed:

29 (1) Sections 1A, 1B, 1C, 2, 3, 4, 5, 6, 7, 7A, 8, 9, 10,
30 11, 12, 12A, 13, 13A, 13B, 14, 15, 16, 16A, 17, and 18, Chapter 310,
31 Acts of the 59th Legislature, Regular Session, 1965;

32 (2) Section 4, Chapter 249, Acts of the 72nd
33 Legislature, Regular Session, 1991;

34 (3) Chapter 674, Acts of the 60th Legislature, Regular

1 Session, 1967;

2 (4) Chapter 112, Acts of the 65th Legislature, Regular
3 Session, 1977;

4 (5) Section 2, Chapter 911, Acts of the 70th
5 Legislature, Regular Session, 1987;

6 (6) Section 5, Chapter 128, Acts of the 80th
7 Legislature, Regular Session, 2007;

8 (7) Chapter 258, Acts of the 65th Legislature, Regular
9 Session, 1977;

10 (8) Section 3, Chapter 479, Acts of the 67th
11 Legislature, Regular Session, 1981;

12 (9) Section 6, Chapter 511, Acts of the 72nd
13 Legislature, Regular Session, 1991;

14 (10) Section 2, Chapter 529, Acts of the 78th
15 Legislature, Regular Session, 2003;

16 (11) Section 3, Chapter 476, Acts of the 79th
17 Legislature, Regular Session, 2005;

18 (12) Chapter 287, Acts of the 61st Legislature,
19 Regular Session, 1969;

20 (13) Sections 11, 12, and 13, Chapter 1091, Acts of the
21 76th Legislature, Regular Session, 1999;

22 (14) Sections 1, 1A, 2, 3, 4, 5, 6, 6(b), 7, 8, 9, 11,
23 12, 13, 14, 15, 16, 17, 18, 19, 20, 20a, 20b, 20c, 21, 22, and 23,
24 Chapter 477, Acts of the 59th Legislature, Regular Session, 1965;

25 (15) Section 14, Chapter 125, Acts of the 74th
26 Legislature, Regular Session, 1995;

27 (16) Chapter 172, Acts of the 59th Legislature,
28 Regular Session, 1965;

29 (17) Sections 10 and 11, Chapter 385, Acts of the 76th
30 Legislature, Regular Session, 1999;

31 (18) Chapter 206, Acts of the 61st Legislature,
32 Regular Session, 1969;

33 (19) Chapter 211, Acts of the 64th Legislature,
34 Regular Session, 1975;

1 (20) Section 3, Chapter 415, Acts of the 80th
2 Legislature, Regular Session, 2007;

3 (21) Chapter 766, Acts of the 69th Legislature,
4 Regular Session, 1985;

5 (22) Chapter 16, Acts of the 70th Legislature, Regular
6 Session, 1987;

7 (23) Section 4, Chapter 70, Acts of the 74th
8 Legislature, Regular Session, 1995;

9 (24) Sections 1, 2(b) and (c), 3, 4, 5, 6, 7, 8, 9, 10,
10 11, 12, 13, 14, 15, 16, 17, and 18, Chapter 644, Acts of the 59th
11 Legislature, Regular Session, 1965;

12 (25) Chapter 868, Acts of the 62nd Legislature,
13 Regular Session, 1971;

14 (26) Chapter 8, Acts of the 71st Legislature, Regular
15 Session, 1989;

16 (27) Chapter 260, Acts of the 58th Legislature,
17 Regular Session, 1963;

18 (28) Chapter 84, Acts of the 59th Legislature, Regular
19 Session, 1965;

20 (29) Sections 4 and 5, Chapter 259, Acts of the 68th
21 Legislature, Regular Session, 1983;

22 (30) Chapter 35, Acts of the 59th Legislature, Regular
23 Session, 1965;

24 (31) Sections 2 and 3, Chapter 472, Acts of the 67th
25 Legislature, Regular Session, 1981;

26 (32) Section 5, Chapter 66, Acts of the 71st
27 Legislature, Regular Session, 1989;

28 (33) Chapter 29, Acts of the 65th Legislature, Regular
29 Session, 1977;

30 (34) Section 12, Chapter 434, Acts of the 77th
31 Legislature, Regular Session, 2001;

32 (35) Articles 1 through 8, Chapter 11, Acts of the 70th
33 Legislature, 2nd Called Session, 1987;

34 (36) Chapter 6, Acts of the 65th Legislature, Regular

1 Session, 1977;

2 (37) Section 6, Chapter 614, Acts of the 67th
3 Legislature, Regular Session, 1981;

4 (38) Chapter 199, Acts of the 71st Legislature,
5 Regular Session, 1989;

6 (39) Chapter 565, Acts of the 64th Legislature,
7 Regular Session, 1975;

8 (40) Chapter 5, Acts of the 62nd Legislature, Regular
9 Session, 1971;

10 (41) Chapter 102, Acts of the 62nd Legislature,
11 Regular Session, 1971;

12 (42) Chapter 140, Acts of the 65th Legislature,
13 Regular Session, 1977; and

14 (43) Chapter 261, Acts of the 58th Legislature,
15 Regular Session, 1963.

16 SECTION 3.02. The following statutes are repealed:

17 (1) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,
18 15, 16, 17, and 18, Chapter 566, Acts of the 73rd Legislature,
19 Regular Session, 1993;

20 (2) Chapter 303, Acts of the 51st Legislature, Regular
21 Session, 1949;

22 (3) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 675, Acts
23 of the 62nd Legislature, Regular Session, 1971;

24 (4) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 411, Acts
25 of the 62nd Legislature, Regular Session, 1971;

26 (5) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 579, Acts
27 of the 62nd Legislature, Regular Session, 1971;

28 (6) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 554, Acts
29 of the 62nd Legislature, Regular Session, 1971;

30 (7) Sections 1, 3, 4, 5, 6, 7, 8, 9, and 10, Chapter
31 388, Acts of the 63rd Legislature, Regular Session, 1973;

32 (8) Sections 1, 3, 4, 5, 6, 7, 8, 9, and 10, Chapter
33 620, Acts of the 63rd Legislature, Regular Session, 1973;

34 (9) Sections 2, 2a, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,

1 14, 15, 16, 17, 18, and 19, Chapter 95, Acts of the 56th
2 Legislature, Regular Session, 1959;

3 (10) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 659,
4 Acts of the 62nd Legislature, Regular Session, 1971;

5 (11) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 685,
6 Acts of the 62nd Legislature, Regular Session, 1971;

7 (12) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
8 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 749, Acts
9 of the 61st Legislature, Regular Session, 1969;

10 (13) 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 306, Acts
12 of the 61st Legislature, Regular Session, 1969;

13 (14) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, and
14 13, Chapter 1381, Acts of the 77th Legislature, Regular Session,
15 2001;

16 (15) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12,
17 Chapter 916, Acts of the 70th Legislature, Regular Session, 1987;

18 (16) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
19 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, Chapter 391, Acts
20 of the 61st Legislature, Regular Session, 1969;

21 (17) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 445,
22 Acts of the 62nd Legislature, Regular Session, 1971;

23 (18) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 642,
24 Acts of the 62nd Legislature, Regular Session, 1971;

25 (19) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 437,
26 Acts of the 62nd Legislature, Regular Session, 1971;

27 (20) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
28 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24, Chapter 144, Acts of
29 the 61st Legislature, Regular Session, 1969;

30 (21) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
31 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24, Chapter 838, Acts of
32 the 61st Legislature, Regular Session, 1969;

33 (22) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11,
34 Chapter 741, Acts of the 71st Legislature, Regular Session, 1989;

1 (23) Sections 1, 3, 4, 5, 5A, 6, 7, 8, and 9, Chapter
2 696, Acts of the 65th Legislature, Regular Session, 1977;

3 (24) Sections 1, 2, 3, 4, 5(b), 6, 7, 8, 9, 10, 11, 12,
4 13, 14, 15, 16, 17, 18, 19, 19A, 20, 20A, 21, 22, 23, 24, 25, 26, 27,
5 and 28, Chapter 935, Acts of the 69th Legislature, Regular Session,
6 1985;

7 (25) Sections 6 and 7, Chapter 1213, Acts of the 75th
8 Legislature, Regular Session, 1997;

9 (26) Chapter 97, Acts of the 66th Legislature, Regular
10 Session, 1979;

11 (27) Sections 4 and 5, Chapter 398, Acts of the 68th
12 Legislature, Regular Session, 1983;

13 (28) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
14 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, Chapter 616, Acts of the
15 61st Legislature, Regular Session, 1969;

16 (29) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 658,
17 Acts of the 62nd Legislature, Regular Session, 1971;

18 (30) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 664,
19 Acts of the 62nd Legislature, Regular Session, 1971;

20 (31) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 635,
21 Acts of the 62nd Legislature, Regular Session, 1971;

22 (32) Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
23 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, and 24, Chapter 714, Acts of
24 the 65th Legislature, Regular Session, 1977;

25 (33) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 423,
26 Acts of the 62nd Legislature, Regular Session, 1971;

27 (34) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 693,
28 Acts of the 62nd Legislature, Regular Session, 1971;

29 (35) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 694,
30 Acts of the 62nd Legislature, Regular Session, 1971;

31 (36) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, and 11,
32 Chapter 756, Acts of the 69th Legislature, Regular Session, 1985;

33 (37) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 704,
34 Acts of the 62nd Legislature, Regular Session, 1971;

1 (38) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 634,
2 Acts of the 62nd Legislature, Regular Session, 1971; and

3 (39) Sections 1, 2, 3, 5, 6, 7, and 8, Chapter 344,
4 Acts of the 62nd Legislature, Regular Session, 1971.

5 SECTION 3.03. The following statutes are repealed:

6 (1) Sections 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,
7 15, 16, and 17, Chapter 439, Acts of the 70th Legislature, Regular
8 Session, 1987;

9 (2) Sections 7 and 8, Chapter 1310, Acts of the 77th
10 Legislature, Regular Session, 2001;

11 (3) Sections 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,
12 15, 16, and 17, Chapter 992, Acts of the 70th Legislature, Regular
13 Session, 1987;

14 (4) Chapter 915, Acts of the 70th Legislature, Regular
15 Session, 1987;

16 (5) Section 22, Chapter 759, Acts of the 78th
17 Legislature, Regular Session, 2003;

18 (6) Sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12,
19 Chapter 1075, Acts of the 75th Legislature, Regular Session, 1997;

20 (7) Chapter 1361, Acts of the 77th Legislature,
21 Regular Session, 2001;

22 (8) Chapter 772, Acts of the 78th Legislature, Regular
23 Session, 2003;

24 (9) Chapter 1291, Acts of the 77th Legislature,
25 Regular Session, 2001;

26 (10) Chapter 1474, Acts of the 77th Legislature,
27 Regular Session, 2001;

28 (11) Chapter 1294, Acts of the 77th Legislature,
29 Regular Session, 2001;

30 (12) Chapter 1358, Acts of the 77th Legislature,
31 Regular Session, 2001;

32 (13) Chapter 376, Acts of the 69th Legislature,
33 Regular Session, 1985;

34 (14) Chapter 26, Acts of the 70th Legislature, Regular

1 Session, 1987;

2 (15) Chapter 1045, Acts of the 71st Legislature,
3 Regular Session, 1989;

4 (16) Chapter 302, Acts of the 77th Legislature,
5 Regular Session, 2001;

6 (17) Chapter 489, Acts of the 67th Legislature,
7 Regular Session, 1981;

8 (18) Sections 2 and 3, Chapter 294, Acts of the 77th
9 Legislature, Regular Session, 2001;

10 (19) Chapter 693, Acts of the 72nd Legislature,
11 Regular Session, 1991;

12 (20) Chapter 865, Acts of the 70th Legislature,
13 Regular Session, 1987;

14 (21) Chapter 1344, Acts of the 77th Legislature,
15 Regular Session, 2001;

16 (22) Part 4, Chapter 966, Acts of the 77th
17 Legislature, Regular Session, 2001;

18 (23) Chapter 1328, Acts of the 77th Legislature,
19 Regular Session, 2001;

20 (24) Part 5, Chapter 966, Acts of the 77th
21 Legislature, Regular Session, 2001; and

22 (25) Chapter 1323, Acts of the 77th Legislature,
23 Regular Session, 2001.

24 SECTION 4.01. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE.
25 This Act is enacted under Section 43, Article III, Texas
26 Constitution. This Act is intended as a codification only, and no
27 substantive change in the law is intended by this Act. This Act
28 does not increase or decrease the territory of any special district
29 of the state as those boundaries exist on the effective date of this
30 Act.

31 SECTION 4.02. PRESERVATION OF VALIDATION MADE BY PREVIOUS
32 LAW. (a) The repeal of a law, including a validating law, by this
33 Act does not remove, void, or otherwise affect in any manner a
34 validation under the repealed law. The validation is preserved and

1 continues to have the same effect that it would have if the law were
2 not repealed.

3 (b) Subsection (a) of this section does not diminish the
4 saving provisions prescribed by Section 311.031, Government Code.

5 SECTION 4.03. EFFECTIVE DATE. This Act takes effect April
6 1, 2011.

1 APPENDIX B

2 CHAPTER 311. CODE CONSTRUCTION ACT

3 (current as of end of 81st Legislature, 1st Called Session, 2009)

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 311.001. SHORT TITLE. This chapter may be cited as the
6 Code Construction Act.

7 Sec. 311.002. APPLICATION. This chapter applies to:

8 (1) each code enacted by the 60th or a subsequent
9 legislature as part of the state's continuing statutory revision
10 program;

11 (2) each amendment, repeal, revision, and reenactment
12 of a code or code provision by the 60th or a subsequent legislature;

13 (3) each repeal of a statute by a code; and

14 (4) each rule adopted under a code.

15 Sec. 311.003. RULES NOT EXCLUSIVE. The rules provided in
16 this chapter are not exclusive but are meant to describe and clarify
17 common situations in order to guide the preparation and
18 construction of codes.

19 Sec. 311.004. CITATION OF CODES. A code may be cited by its
20 name preceded by the specific part concerned. Examples of
21 citations are:

22 (1) Title 1, Business & Commerce Code;

23 (2) Chapter 5, Business & Commerce Code;

24 (3) Section 9.304, Business & Commerce Code;

25 (4) Section 15.06(a), Business & Commerce Code; and

26 (5) Section 17.18(b)(1)(B)(ii), Business & Commerce
27 Code.

28 Sec. 311.005. GENERAL DEFINITIONS. The following
29 definitions apply unless the statute or context in which the word or
30 phrase is used requires a different definition:

31 (1) "Oath" includes affirmation.

32 (2) "Person" includes corporation, organization,
33 government or governmental subdivision or agency, business trust,
34 estate, trust, partnership, association, and any other legal

1 entity.

2 (3) "Population" means the population shown by the
3 most recent federal decennial census.

4 (4) "Property" means real and personal property.

5 (5) "Rule" includes regulation.

6 (6) "Signed" includes any symbol executed or adopted
7 by a person with present intention to authenticate a writing.

8 (7) "State," when referring to a part of the United
9 States, includes any state, district, commonwealth, territory, and
10 insular possession of the United States and any area subject to the
11 legislative authority of the United States of America.

12 (8) "Swear" includes affirm.

13 (9) "United States" includes a department, bureau, or
14 other agency of the United States of America.

15 (10) "Week" means seven consecutive days.

16 (11) "Written" includes any representation of words,
17 letters, symbols, or figures.

18 (12) "Year" means 12 consecutive months.

19 (13) "Includes" and "including" are terms of
20 enlargement and not of limitation or exclusive enumeration, and use
21 of the terms does not create a presumption that components not
22 expressed are excluded.

23 Sec. 311.006. INTERNAL REFERENCES. In a code:

24 (1) a reference to a title, chapter, or section
25 without further identification is a reference to a title, chapter,
26 or section of the code; and

27 (2) a reference to a subtitle, subchapter, subsection,
28 subdivision, paragraph, or other numbered or lettered unit without
29 further identification is a reference to a unit of the next larger
30 unit of the code in which the reference appears.

31 SUBCHAPTER B. CONSTRUCTION OF WORDS AND PHRASES

32 Sec. 311.011. COMMON AND TECHNICAL USAGE OF WORDS.

33 (a) Words and phrases shall be read in context and construed
34 according to the rules of grammar and common usage.

1 (b) Words and phrases that have acquired a technical or
2 particular meaning, whether by legislative definition or
3 otherwise, shall be construed accordingly.

4 Sec. 311.012. TENSE, NUMBER, AND GENDER. (a) Words in the
5 present tense include the future tense.

6 (b) The singular includes the plural and the plural includes
7 the singular.

8 (c) Words of one gender include the other genders.

9 Sec. 311.013. AUTHORITY AND QUORUM OF PUBLIC BODY. (a) A
10 grant of authority to three or more persons as a public body confers
11 the authority on a majority of the number of members fixed by
12 statute.

13 (b) A quorum of a public body is a majority of the number of
14 members fixed by statute.

15 Sec. 311.014. COMPUTATION OF TIME. (a) In computing a
16 period of days, the first day is excluded and the last day is
17 included.

18 (b) If the last day of any period is a Saturday, Sunday, or
19 legal holiday, the period is extended to include the next day that
20 is not a Saturday, Sunday, or legal holiday.

21 (c) If a number of months is to be computed by counting the
22 months from a particular day, the period ends on the same numerical
23 day in the concluding month as the day of the month from which the
24 computation is begun, unless there are not that many days in the
25 concluding month, in which case the period ends on the last day of
26 that month.

27 Sec. 311.015. REFERENCE TO A SERIES. If a statute refers to
28 a series of numbers or letters, the first and last numbers or
29 letters are included.

30 Sec. 311.016. "MAY," "SHALL," "MUST," ETC. The following
31 constructions apply unless the context in which the word or phrase
32 appears necessarily requires a different construction or unless a
33 different construction is expressly provided by statute:

34 (1) "May" creates discretionary authority or grants

1 permission or a power.

2 (2) "Shall" imposes a duty.

3 (3) "Must" creates or recognizes a condition
4 precedent.

5 (4) "Is entitled to" creates or recognizes a right.

6 (5) "May not" imposes a prohibition and is synonymous
7 with "shall not."

8 (6) "Is not entitled to" negates a right.

9 (7) "Is not required to" negates a duty or condition
10 precedent.

11 SUBCHAPTER C. CONSTRUCTION OF STATUTES

12 Sec. 311.021. INTENTION IN ENACTMENT OF STATUTES. In
13 enacting a statute, it is presumed that:

14 (1) compliance with the constitutions of this state
15 and the United States is intended;

16 (2) the entire statute is intended to be effective;

17 (3) a just and reasonable result is intended;

18 (4) a result feasible of execution is intended; and

19 (5) public interest is favored over any private
20 interest.

21 Sec. 311.022. PROSPECTIVE OPERATION OF STATUTES. A statute
22 is presumed to be prospective in its operation unless expressly
23 made retrospective.

24 Sec. 311.023. STATUTE CONSTRUCTION AIDS. In construing a
25 statute, whether or not the statute is considered ambiguous on its
26 face, a court may consider among other matters the:

27 (1) object sought to be attained;

28 (2) circumstances under which the statute was enacted;

29 (3) legislative history;

30 (4) common law or former statutory provisions,
31 including laws on the same or similar subjects;

32 (5) consequences of a particular construction;

33 (6) administrative construction of the statute; and

34 (7) title (caption), preamble, and emergency

1 provision.

2 Sec. 311.024. HEADINGS. The heading of a title, subtitle,
3 chapter, subchapter, or section does not limit or expand the
4 meaning of a statute.

5 Sec. 311.025. IRRECONCILABLE STATUTES AND AMENDMENTS.

6 (a) Except as provided by Section 311.031(d), if statutes enacted
7 at the same or different sessions of the legislature are
8 irreconcilable, the statute latest in date of enactment prevails.

9 (b) Except as provided by Section 311.031(d), if amendments
10 to the same statute are enacted at the same session of the
11 legislature, one amendment without reference to another, the
12 amendments shall be harmonized, if possible, so that effect may be
13 given to each. If the amendments are irreconcilable, the latest in
14 date of enactment prevails.

15 (c) In determining whether amendments are irreconcilable,
16 text that is reenacted because of the requirement of Article III,
17 Section 36, of the Texas Constitution is not considered to be
18 irreconcilable with additions or omissions in the same text made by
19 another amendment. Unless clearly indicated to the contrary, an
20 amendment that reenacts text in compliance with that constitutional
21 requirement does not indicate legislative intent that the reenacted
22 text prevail over changes in the same text made by another
23 amendment, regardless of the relative dates of enactment.

24 (d) In this section, the date of enactment is the date on
25 which the last legislative vote is taken on the bill enacting the
26 statute.

27 (e) If the journals or other legislative records fail to
28 disclose which of two or more bills in conflict is latest in date of
29 enactment, the date of enactment of the respective bills is
30 considered to be, in order of priority:

31 (1) the date on which the last presiding officer
32 signed the bill;

33 (2) the date on which the governor signed the bill; or

34 (3) the date on which the bill became law by operation

1 of law.

2 Sec. 311.026. SPECIAL OR LOCAL PROVISION PREVAILS OVER
3 GENERAL. (a) If a general provision conflicts with a special or
4 local provision, the provisions shall be construed, if possible, so
5 that effect is given to both.

6 (b) If the conflict between the general provision and the
7 special or local provision is irreconcilable, the special or local
8 provision prevails as an exception to the general provision, unless
9 the general provision is the later enactment and the manifest
10 intent is that the general provision prevail.

11 Sec. 311.027. STATUTORY REFERENCES. Unless expressly
12 provided otherwise, a reference to any portion of a statute or rule
13 applies to all reenactments, revisions, or amendments of the
14 statute or rule.

15 Sec. 311.028. UNIFORM CONSTRUCTION OF UNIFORM ACTS. A
16 uniform act included in a code shall be construed to effect its
17 general purpose to make uniform the law of those states that enact
18 it.

19 Sec. 311.029. ENROLLED BILL CONTROLS. If the language of
20 the enrolled bill version of a statute conflicts with the language
21 of any subsequent printing or reprinting of the statute, the
22 language of the enrolled bill version controls.

23 Sec. 311.030. REPEAL OF REPEALING STATUTE. The repeal of a
24 repealing statute does not revive the statute originally repealed
25 nor impair the effect of any saving provision in it.

26 Sec. 311.031. SAVING PROVISIONS. (a) Except as provided
27 by Subsection (b), the reenactment, revision, amendment, or repeal
28 of a statute does not affect:

29 (1) the prior operation of the statute or any prior
30 action taken under it;

31 (2) any validation, cure, right, privilege,
32 obligation, or liability previously acquired, accrued, accorded,
33 or incurred under it;

34 (3) any violation of the statute or any penalty,

1 forfeiture, or punishment incurred under the statute before its
2 amendment or repeal; or

3 (4) any investigation, proceeding, or remedy
4 concerning any privilege, obligation, liability, penalty,
5 forfeiture, or punishment; and the investigation, proceeding, or
6 remedy may be instituted, continued, or enforced, and the penalty,
7 forfeiture, or punishment imposed, as if the statute had not been
8 repealed or amended.

9 (b) If the penalty, forfeiture, or punishment for any
10 offense is reduced by a reenactment, revision, or amendment of a
11 statute, the penalty, forfeiture, or punishment, if not already
12 imposed, shall be imposed according to the statute as amended.

13 (c) The repeal of a statute by a code does not affect an
14 amendment, revision, or reenactment of the statute by the same
15 legislature that enacted the code. The amendment, revision, or
16 reenactment is preserved and given effect as part of the code
17 provision that revised the statute so amended, revised, or
18 reenacted.

19 (d) If any provision of a code conflicts with a statute
20 enacted by the same legislature that enacted the code, the statute
21 controls.

22 Sec. 311.032. SEVERABILITY OF STATUTES. (a) If any
23 statute contains a provision for severability, that provision
24 prevails in interpreting that statute.

25 (b) If any statute contains a provision for
26 nonseverability, that provision prevails in interpreting that
27 statute.

28 (c) In a statute that does not contain a provision for
29 severability or nonseverability, if any provision of the statute or
30 its application to any person or circumstance is held invalid, the
31 invalidity does not affect other provisions or applications of the
32 statute that can be given effect without the invalid provision or
33 application, and to this end the provisions of the statute are
34 severable.

1 Sec. 311.034. WAIVER OF SOVEREIGN IMMUNITY. In order to
2 preserve the legislature's interest in managing state fiscal
3 matters through the appropriations process, a statute shall not be
4 construed as a waiver of sovereign immunity unless the waiver is
5 effected by clear and unambiguous language. In a statute, the use
6 of "person," as defined by Section 311.005 to include governmental
7 entities, does not indicate legislative intent to waive sovereign
8 immunity unless the context of the statute indicates no other
9 reasonable construction. Statutory prerequisites to a suit,
10 including the provision of notice, are jurisdictional requirements
11 in all suits against a governmental entity.

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DISPOSITION TABLE

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23	Sec. 6 (part)		8259.051
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28	Sec. 1 (part)		8286.001
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34	Sec. 5 (part)		8286.101
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36	Sec. 6 (part)		8286.051
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39	Sec. 8	RN	8286.101
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36	62nd Leg., R.S., Ch. 868		
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